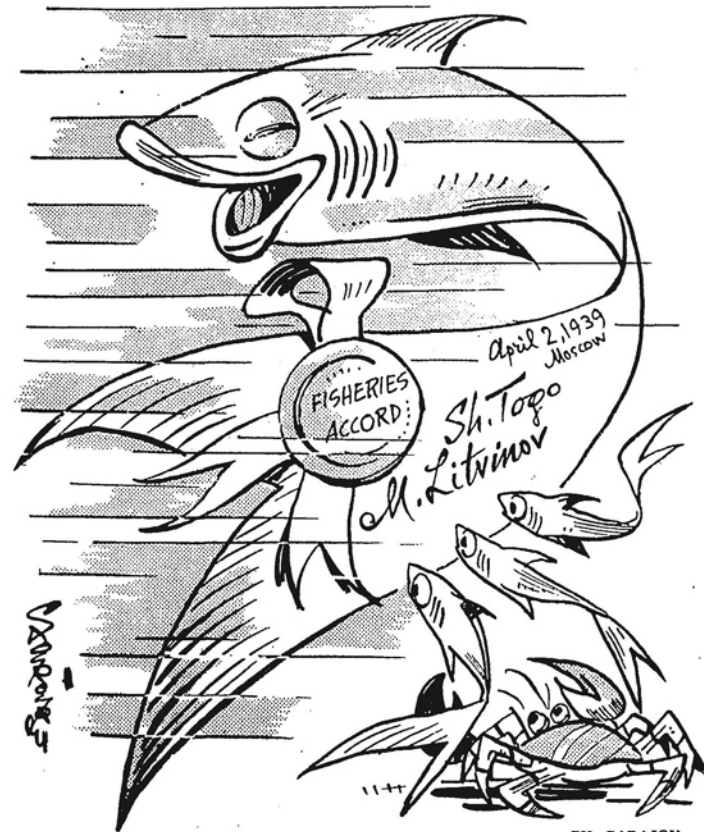


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Not An April Joke

A Welcome Decision

The decision of the Japanese authorities in Tsingtao to reopen the inner harbour, and permit third party neutral shipping to make use of the wharves is welcomed as one of the real contributions which Japan has made towards a better understanding of her position. It would have been better if the concession had been made in the absence of those financial restrictions which still hamper foreign trade, on other than Japanese in North China, but on the principle that half a loaf is better than no bread, it is perhaps just as well to accept this gesture as an earnest of future Japanese intentions. The removal of discrimination against the trade of third party neutrals within itself serve greatly to improve Japanese relations with those other Powers which are watching developments in this part of the world with no small degree of anxiety and irritation. It is to be hoped that the reopening of Tsingtao will pave the way for further improvements in regard to the position of nationals not politically involved in these hostilities. It will be remembered that the restoration of Seekingjiao to the Shanghai Golf Club caused a most favourable impression in foreign circles in Shanghai, as did, so much earlier, the reopening of Hungjiao. Without tackling the major questions there is still a large number of matters with regard to which the Japanese could show the same grace. They have been mentioned so frequently that to detail them now would be superfluous, but, as it has been pointed out on numerous occasions, a great deal of the criticism about which some Japanese complain would be completely removed if there were more tangible evidence of a real desire on the part of the Japanese to recognize foreign interests and rights in this part of the world to a greater degree than has been apparent up to the present. The Tsingtao decision is, however, heartily welcomed as a step in the right direction, and it is hoped, as an augury for further improvement.

Seizure of Spratley Island

The Japanese occupation of Spratley Island in the midst of the crowded archipelago which lies to the west of the coast of Palawan and in the China Sea between the East Indies and French Indo-China, has made important news of a piece of the globe of which few had previously heard and about which even fewer worried. For obvious reasons the possibility of these islands being in the hands of a potential enemy must cause a certain amount of concern to the authorities of French Indo-China, but a better reason for French and British protests is the disregard of international rights and obligations revealed by the seizure. This unfortunately is no new thing in Japanese policy since 1931, but hitherto Japanese actions have had behind them the force of some strategic or economic necessity, envisaged by Tokyo whereas the occupation of Spratley Island seems

to have been inspired by no such reasons. The island is of no commercial value, and its strategic importance can be over-emphasized by too great an insistence in news despatches upon its position. It is true that it is within four hours flying distance of Singapore and within one and a half hours flying distance of British North Borneo and French Indo-China, but these facts in the present condition of the island are more disadvantageous than advantageous to Japan, since Singapore and French Indo-China are already fortified, and such an outlying Japanese post could prove a liability and not an asset in the event of war. The cool disregard of the rights of other nations evidenced by the seizure is a more serious ground of protest. By assuming control Japan has flouted French offers of arbitration over the islands and has shown to the world that Tokyo believes it has no case. The occupation may, of course, be another trial balloon which, if not countered, may encourage Japan to announce the annexation of Hainan Island, in direct violation of previous pledges. From this point of view it would seem to be the duty of the Powers concerned—France, the United States, Holland, and Britain—to make the firmest possible stand over the matter.

Army of Occupation

The mercantile role of the Japanese army in China as described in this journal on Monday, is an enlightening illustration of Japanese policy in this country and reinforces, in a very definite manner, the idea and intention of an army of occupation. No matter what is the outcome of the hostilities it is Japan's firm determination to remain in China and hold the territory her forces have occupied, and the economic arrangements for achieving a form of independence from the home country in regard to supplies is a measure to ensure the permanence of such a decision. A historic parallel could be drawn from the Roman occupation of Britain when, in a way similar to the Japanese scheme, the army lived on the country of occupation and was able to send back to Rome goods and materials necessary for that nation's prosperity. The ability to do this depended on the efficiency and supremacy of the army of occupation but after 400 years these factors disappeared and so did the Roman army of occupation. In the case of China, Japan enjoys the advantage of an economic system which does not accumulate supplies for personal luxury but turns them into exportable products which strengthens the country's financial position against the drain exercised by an expensive war, thereby prolonging and strengthening the ability to prosecute it. As the past year or so has revealed, Japanese operations in China have not been conducted on a basis of purely military conquest, but have been linked with an economic policy in which the military vanguard has been the cover for commercial penetration hard on the heels of the advancing armies. Under such a system, it is possible not only to obtain supplies

for the army of occupation but also to develop essential industries and resources capable of producing an exportable surplus for Japan. Answering interpellations in the Diet, Lieut.-Gen. Itagaki, the War Minister, revealed the potentialities of such a form of conquest and intermingled with remarks on military administration were concrete economic references to be expected from the Minister of Commerce and Industry rather than from the army's chief administration. A system of regional self-sufficiency is being encouraged and a progressive programme of army purchases, in definite competition with Third Power commercial activities, is being undertaken. And, the War Minister added, military transports are taken; back to Japan supplies not needed in China. These supplies will be processed in Japan and the finished goods put into Japan's foreign trade. This co-ordination of military and commercial efforts represents a new form of highly-organized national aggressiveness which is transforming text book ideas of war, and on it is largely based Japan's capacity to persist in China.

Partial Settlement

If, as it is reported, Moscow authorities are satisfied with the settlement arrived at with Japan over the question of the fisheries, they are easily pleased. At any rate the dispute has been prevented from coming to an issue this year, and in times such as these every postponement of crisis is something gained. But the reports to hand seem to indicate that while Moscow has obtained some of her points with regard to the fisheries question alone, the larger issues which were originally raised under the Treaty of Portsmouth appear to be left in abeyance. It will be remembered that when the question first came into prominence, Moscow sought an all-round settlement of outstanding matters, such as the payment of the final instalment of the purchase price of the former Chinese Eastern Railway, and the adherence of Japan to the terms of the Treaty limiting the number of troops Japan should be allowed to maintain in Manchoukuo. These the Japanese refused to consider, arguing that they were separate matters which should be dealt with separately. That, Moscow declined to concede, and it was upon that refusal that the two nations have been at arm's length for well over four months. The gains over which Moscow is pleased are as follows:—the admission by Japan of the Soviet's right to withdraw some of the lots granted previously, the acknowledgement of the principle of auctioning the lots, which Japan had formerly declined to admit, and the fact that the new concessions are said to be of smaller value than those which have been withdrawn. When to this is added the report that rentals will be increased by some ten per cent, involving a greater revenue from the fishery grounds to Russia of some Yen 300,000 annually, there may be ground for some slight satisfaction that on these minor points Moscow has won the day. In the light of the fact that the other major points have not yet been adjusted, and one at least may never be, this new arrangement can only be looked upon as a temporary one, postponing consideration of the major points for at least a year, but still leaving them on the tapis as sources of irritation to be dealt with at some future time.

Lieut.-Col. Perretier

Shanghai on March 30 bade official farewell to Lieut.-Col. Perretier, Commandant of the French Garrison, who is leaving for France after three years in Shanghai. An international guard of honour saluted him in Soochow Road and his own command did him honours at the French Bund. Lieut.-Col. Perretier, who has been succeeded by Lieut.-Col. Grenier, is leaving for a short holiday in Japan and thereafter will sail for France. During the past few weeks, the retiring Commandant has been feted at many parties by French and other nationals for it is truly to be said that this French commanding officer in years has achieved the international respect and esteem as Lieut.-Col. Perretier during the three years of his service in Shanghai. There has been a tendency in Shanghai to regard the French Concession and the International Settlement as distinct and separate national entities, but in the last few years, especially since the outbreak of the Sino-Japanese hostilities the community of interests has identified both areas in joint defence and more so in the personal side. Lieut.-Col. Perretier has proved himself in Shanghai to be as popular in international circles as with his own people and this is a tribute to the qualities of this extremely fine soldier and diplomat. He has had an unusual military career. He joined the French army as a private and through the broad conditions of service in the French army, based on Napoleon's precept that every soldier has a field marshal's baton in his knapsack, he rose to the rank of Lieutenant-Colonel. In 1914, when the war broke out, he established a reputation of receiving five promotions in one year, later obtaining a commission. Lieut.-Col. Perretier's service in the French army has embraced a wide area and many campaigns but probably no tour of duty has been more difficult than Shanghai where conflicting concepts of national authority demanded not only military alertness but qualities of greatest tact to which the situation, from time to time, has subjected. The thanks of the French Concession and the International Settlement will go with Lieut.-Col. Perretier on his departure.

CHINESE POLITICS

German Mediation Revealed

Mr. Wang Ching-wei Exposes Basis of Past Peace Talks

Hongkong, Apr. 1.

CO-OPERATION with Japan was the "indispensable way" for China to maintain her existence and independence and bring about stability, in East Asia, instead of following the "common road to destruction" by carrying on hostilities, Mr. Wang Ching-wei, former Deputy General Executive of the Kuomintang, declared in a new peace statement issued here last night. There could be no doubt, he said, that Japan and China must follow the same road to co-existence and co-prosperity.

"If resistance is for the sake of the existence and independence of the state, then it is quite a different question," he declared; "but if resistance is resorted to as a means of bringing about internal unity, then I am absolutely against it," he declared. He gave details on peace parleys conducted through the German Ambassador, Dr. Oscar Trautmann.

His statement disclosed that Gen. Chiang Kai-shek and high military officers of the Kuomintang had expressed their willingness to accept peace terms offered by Dr. Trautmann, then German Ambassador to China, on November 28 and 29, 1937.

Gen. Chiang was willing to have Germany act as intermediary and Dr. Trautmann regarded his interview with the Generalissimo as a success, Mr. Wang's statement revealed.

Comparing the statement advanced by Dr. Trautmann in 1937 with the statement made by Prince Aiyamaro Konohe when he was President of Japan on December 22, 1938 Mr. Wang wondered why the terms of 1937, which he said were more stringent than the views contained in Prince Konohe's statement, were accepted by Gen. Chiang as a basis for negotiation, while the Prince Konohe statement was not so regarded. Mr. Wang pointed out that at the time Dr. Trautmann approached Gen. Chiang and high military officers in 1937 China's military situation was not as unfavourable as when Prince Konohe's statement was made. Nanking, Hankow and numerous other cities had fallen to the Japanese in the intervening year, he recalled.

Members of the Supreme National Defence Conference in the Kuomintang had expressed their approval of negotiations for peace at the time of Dr. Trautmann's intervention, Mr. Wang's statement said, citing a report of Mr. Hsu Mo, Vice-Minister of Foreign Affairs in the Kuomintang Government.

Mr. Hsu Mo's Report

"First, I would like to quote from a report delivered by Mr. Hsu Mo, Vice-Minister of Foreign Affairs in the Kuomintang Government, in the 54th session of the standing committee of the Supreme National Defence Conference, which was held at the Central Bank of China Building in Hankow at 9 a.m. on December 6, 1937. This meeting was attended by Mr. Hsu Mo, Dr. H. H. Kung, Gen. Ho Ying-chin, Gen. Yu Yu-jen, Mr. Chu Cheng, Mr. Chen Li-tu, Mr. Chen Kuo-fu, Mr. Chen Pu-tai and others, and was presided over by myself, with Mr. Chang Chun as Vice-Chairman and Dr. Tseng Chung-ming as Chief Secretary."

In the report, according to Mr. Wang, Mr. Hsu enumerated and explained the peace conditions offered by Dr. Oscar Trautmann, then German Ambassador to China, to Dr. H. H. Kung, Chairman of the Executive Council, on November 28 and 29, 1937, acting under instructions from Berlin.

German Peace Proposals

Dr. Trautmann's peace proposals were those which had been presented by the Japanese Government to the German envoy in Tokyo as the conditions upon which peace should be concluded for transmission to the highest Chinese authority, the statement said.

Mr. Wang in his statement quoted Mr. Hsu as having enumerated the conditions as follows:

"1. The autonomy of Inner Mongolia; 2. The enlargement of the area in which Japanese troops should be stationed in North China, but the administrative rights of North China will remain with the Central Government;

"Japan wishes that an anti-Japanese person will not be appointed as the highest leader of North China. The above condition is acceptable if the conflict is to be brought to an end now, but should a new regime be established in North China, this should be allowed to continue. If the conflict is to be brought to an end now, Japan does not intend to establish a new regime in North China. Japan is prepared to continue negotiations now under way for the exploitation of mines in North China so as to bring them to a conclusion;

Shanghai "Peace" Zone

"3. The extension of the demilitarized zone in Shanghai. The Japanese Government has not yet made

clear the extent of the expansion of the zone or the method to be resorted to in effecting it, but will not alter the administration of Shanghai;

"4. With regard to the anti-Japanese question, a settlement is desired along the lines agreed upon by Ambassador Kawagoe and Gen. Chang Chun (Chinese Foreign Minister). Details are but a technical issue;

"5. Anti-Communism. Japan hopes that China will take certain measures to deal with this problem;

"6. Revision of the Customs Tariff; 7. Respect for the vested rights of foreigners in China.

"When Ambassador Trautmann expressed the desire to meet with Mr. Kung, Chairman of the Executive Yuan, Foreign Minister Wang and Gen. Chiang, a telegram to this effect was dispatched. Gen. Chiang immediately replied that he would like to see Dr. Trautmann.

Talks in Nanking

"I accompanied Dr. Trautmann to Nanking," Mr. Wang reported Mr. Hsu as having stated.

"During the course of the trip I had the opportunity for an intimate talk with Dr. Trautmann. He maintained that China had fully shown her fighting spirit in past hostilities, and it was about time for her to bring the conflict to an end. Dr. Trautmann cited Germany's example during the Great War. In spite of many occasions to talk peace, over-estimating her own power, Germany refused to make peace terms until she was forced to accept proposals by the victorious Powers in the Versailles Treaty.

"Dr. Trautmann also quoted Reichsleiter Hitler's statement that Japan's peace conditions were not so stringent, adding that he hoped China would consider the proposals then being made by the Japanese Government.

"Dr. Trautmann and I arrived at Nanking on December 2 and I immediately conferred with Gen. Chiang Kai-shek, who said after reflecting at length... that high military officials then in Nanking should be consulted.

What Generals Asked

"When I went to see Gen. Chiang at 4 o'clock that afternoon for the second time that day Gen. Ku Chung-tung, Gen. Pal Chung-hei, Kwangsi leader; Gen. Tang Sheng-chin (member of the standing committee of the Military Affairs Council); Gen. Hsu Yung-chang (former member of the Peiping Political Committee), and others were assembled round Gen. Chiang.

"Upon my reporting Dr. Trautmann's mission in coming to Nanking these military leaders asked me questions as to whether the stated peace conditions had any collateral conditions and whether they provided for limitations on Chinese armaments.

"To these I answered that, according to what Dr. Trautmann stated, these conditions were shown in their entirety and had no collateral conditions.

"Gen. Chiang in consulting the officers present as to whether or not an armistice should be concluded first asked Gen. Tang Sheng-chin, who was unable to reply at once. Pal Chung-shih was asked for his views, whereupon Gen. Pal said: "If these are the only conditions what are we fighting for?" I said, "The conditions presented by the German Ambassador are only these few conditions."

"We Should Agree"

"Gen. Chiang then asked Gen. Hsu Yung-chang what his views were. Gen. Hsu said: "If these are the conditions, we should accept them."

"Gen. Ku Chung-tung, questioned, said, "We should agree."

"Gen. Chiang again asked Gen. Tang who agreed with the majority. "Gen. Chiang then said that the peace proposals as made through Germany should not be rejected, as the conditions did not subordinate China, and that it was necessary to keep the North China regime alive.

"At 5 o'clock the same afternoon Gen. Chiang and Dr. Trautmann had a conversation at which I interpreted. Dr. Trautmann asked Gen. Chiang just what he had previously asked Dr. Wang Chung-hui and Dr. H. H. Kung at Hankow, only adding that if the Kuomintang were to continue hostilities without accepting the present proposals, the peace conditions which might be made by Japan in the future would be far more exacting and rigorous than those now presented.

"Japan Cannot Be Trusted"

"To this statement by Dr. Trautmann, Gen. Chiang answered: "Although Japan cannot be trusted, Japan blithely breaks treaties and her assurances cannot be counted upon, China appreciates the good offices offered by Germany, with whom she is on good terms. She also appreciates the good faith of Germany. In negotiations peace upon these conditions, however, would like to have your excellency kindly report to Berlin on two points, namely, that Germany is requested to act as arbitrator throughout the Sino-Japanese negotiations and that the administration of North China should be strictly maintained. China is willing to enter into peace negotiations within the above conditions, which are tantamount to the fact that Japan should not assume the attitude of victorious Power, and that her peace proposals should not be made in the form of an ultimatum."

China to Make No Demands

"In reply to these remarks Dr. Trautmann asked to be permitted to say that in the face of realities the Chinese Government had better not make demands to which it was not fully entitled.

"Gen. Chiang Kai-shek then requested Dr. Trautmann to see if Germany would also use her good offices to advise Japan to conclude peace. Dr. Trautmann promised to convey the two points brought up by Gen. Chiang to the Berlin Government. Reichsleiter Hitler also wanted to make peace proposals to Japan and China equally, Dr. Trautmann stated.

"Gen. Chiang further said to Dr. Trautmann, "If Japan was to pose as a victorious nation and contend that China had already accepted Japan's peace proposals, then China would be unable to resume peace talks." Concluding his conversation with Gen. Chiang, Dr. Trautmann expressed the opinion to me that it was very successful.

"Dr. Trautmann also told Gen. Chiang at Nanking that these conditions were not an ultimatum. The German Ambassador dispatched a cable to Berlin via Tokyo from the ship on his return voyage, but subsequent developments were not yet known, as a reply has not been received by Dr. Trautmann since then, Mr. Hsu's report concluded.

"On December 28 last year in a letter addressed to the Supreme National Defence Conference I (Mr. Wang Ching-wei) stated as follows: The conditions proposed by Japan as presented by Dr. Trautmann in his interview with Gen. Chiang Kai-shek at the beginning of December last year, when Nanking had not yet fallen, were not so well defined as those now before us, and rather more stringent, and yet Gen. Chiang Kai-shek, in consideration of the ultimate trend of the situation, agreed to make those conditions the basis of negotiations for peace.—Domel.

Dr. Kung Talks on China Finances

Chungking, Mar. 31.

"The past and present conditions of Chinese finance and currency," was the topic of a speech made here today by Dr. H. H. Kung, President of the Executive Yuan and, concurrently, Minister of Finance.

He referred to recent foreign loans in China. Among others, Dr. Kung mentioned the \$20,000,000 loan from the Belgian interests and also the credit loan from the United States totalling \$512,800,000.

Dr. H. H. Kung declared that recently, the Chinese Government had concluded with United States interests a loan of U.S.\$25,000,000, secured on wood oil, and also a credit loan of U.S.\$12,800,000.

As regards Britain, the Chinese Government had secured export credits of "several millions sterling," and also a £10,000,000 currency stabilization fund, he added.

The Chinese Government had also just concluded a credit loan with Belgian interests totalling £20,000,000. Dr. Kung continued, concluding his speech with the remark that there was hope for further loans to China in the near future.—Reuter.

Soviet Ambassador Leaves Chungking for Moscow

Chungking, Mar. 28.

Soviet circles here announce that the Soviet Ambassador in China, M. Ivan Lounghet-Oresky, accompanied by his wife, has left Chungking for Moscow "for a holiday."—Reuter.

China Negotiating Loan Services

Chungking, Mar. 28.

Dr. H. H. Kung, President of the Executive Yuan and concurrently Minister of Finance, announced today that the Chinese Government had initiated negotiations with a view to effecting an arrangement in respect to the service of the customs and salt secured loans.

Pending the conclusion of these negotiations, he stated, the Chinese Government was taking action in relation to the salt secured loans similar to that taken on January 15 this year. This action, it will be recalled, was announced in view of Japanese interference with pledged revenues, and with the currency.

The Chinese Government stated that it was prepared temporarily to set aside in the Central Bank of China certain funds in respect of long-term debt service. Such funds, Dr. Kung announced today, were duly being set aside.

Anglo-French Loan Payment

With reference to loans secured on the salt revenue, Dr. Kung announced that the Anglo-French loan coupon, due on April 5, would be paid at the usual time, inasmuch as the fiscal agents already had on hand out of the payments previously made to them a sum sufficient for this purpose.

In the case of the Crisp loan, the Chinese Government was setting aside out of the salt revenue a share of the interest due to the bondholders on March 30.

The Chinese Government, having regard for China's obligation, and for the interests of the bondholders, had been much concerned to continue the debt service, despite unprecedented difficulties caused by the Japanese invasion.

The Government did not wish to permit continuance of the situation resulting from the measures which circumstances had forced it very reluctantly to take in relation to the customs and salt loans, without endeavouring to arrive at a reasonable arrangement to maintain the debt service as far as was practicable, having regard to the abnormal conditions obtaining, and to the vital necessity of prosecuting the war, and preserving China's financial stability. Dr. Kung's announcement concluded.—Reuter.

Salt Loan Statement Clarified

Chungking, Mar. 30.

Interviewed by Reuter today concerning comments abroad on the official announcement made here on March 26 on the subject of loans secured on the salt revenue, a spokesman of the Ministry of Finance said:—

"Important aspects of the action taken are: 1. Pending the conclusion of the debt negotiations which have been initiated, Salt-secured loans are being treated in the same way as loans secured on the Customs, to which the announcement made on January 15 relates. That is, a share on the service is being set aside in special accounts in the Central Bank.

"2. The Anglo-French loan coupon due on April 5 is, however, being paid as a special case because fiscal agents already have on hand, from payments previously made to them, funds sufficient to cover this coupon.

"3. The Chinese Government is negotiating with representatives of the creditors, and hopes to arrive at a reasonable agreement to maintain the debt service, so far as it is practicable under existing conditions."—Reuter.

London Puzzled

London, Mar. 31.

Some surprise has been occasioned by the failure of a payment yesterday on the 1912 loan coupon.

The general impression, based on a Chungking telegram of March 29, was that both this and the Anglo-French coupon due on April 5 would be paid but that further payments would be suspended pending the conclusion of an arrangement governing the Customs and Salt loans alike. Instructions for payment of the 1912 loans are still awaited.

It is reported that some of the funds necessary for this are already in London, but the whole amount, Confidence, however, is general that these two coupons will be duly paid. This is reflected in the small amount by which the Chinese loans have been marked down.—Reuter.

Mr. Sun Fo to Visit Europe

Chungking, Mar. 30.

Mr. Sun Fo, President of the Legislative Yuan, is reliably learned, left Chungking recently on a short trip to Europe to exchange views with European Governments, including Great Britain, France and Soviet Russia.—Reuter.

Chungking's New Trade Ruling

Shanghai, Mar. 30.

Goods transported to Shanghai from the interior are only limited to those which will be used by the Chinese and third-party foreigners and this must be guaranteed by the Chambers of Commerce in places where the goods are bought and sold by the Consulates General of the friendly Powers in Shanghai in the case of foreign merchants buying goods on which an embargo has been declared.

This is the new ruling of the Chinese Ministry of Economics which has just reached Shanghai from Chungking. The new order is contained in a set of regulations governing the transportation of goods which are forbidden to be sent to Shanghai which, although not totally controlled by the Japanese, is considered to be under influence of the Japanese military.

Friendly third-party foreign merchants, according to the new order, must furnish written guarantees prepared by their respective Consulates General in Shanghai and Chinese Chambers of Commerce in places from which the goods they buy for sale or consumption in Shanghai will be transported. It is clearly mentioned, however, that such a guarantee is necessary only when the goods are mentioned in the embargo list. Such foreign merchants must also clearly mention their addresses in Shanghai. The guarantors must state exactly just how the goods thus bought will be used in Shanghai.

The same restrictions are placed on Chinese merchants and manufacturers in Shanghai. Their Shanghai guarantor, however, must be the Shanghai Chamber of Commerce.

Guarantee documents must first be sent to the Farmers Credit Bureau or the Foreign Trade Committee (this latter being located in Hongkong) for approval by the Ministry. These documents must also be presented to Customs officers for examination when it is necessary.

Conference Planned

Chungking is reported to be preparing to hold a Chinese manufacturers' conference to discuss methods of pushing the sale of Chinese native goods in foreign countries so as to increase the fighting strength and to prevent them from suffering molestation by the Japanese. Hongkong has been marked out as the distributing centre and at the forthcoming meeting wool, tea, mines, medicines, silk, eggs, cotton and pig bristles will receive the attention of foreign trade experts.

New U.S. Neutrality Act To Hurt China

Chungking, Mar. 27.

While desiring a revision of the United States Neutrality Act, Chinese circles here consider that Senator Pittman's new proposal shows "very little improvement, if any, on the old Act."

The English-language daily, the "Hankow Herald," which reflects Chinese Government opinion, in a leading article this morning, writes as follows concerning Senator Pittman's proposal:—

"Being applicable to undeclared wars, the Bill will be applied to the Sino-Japanese conflict."

The retention of the cash and carry clause, while intended to facilitate the purchase of American munitions and materials by Britain and France in the event of a general war breaking out in Europe, will work to a great advantage for Japan, who are present competitors because Japan possesses a powerful navy and a large merchant fleet and thus will be able to buy whatever she needs from the United States, while China, having no ships of her own, will not be able to buy the necessary munitions and materials, even if she has enough cash.

The provision giving President Roosevelt power, by proclamation, to make it unlawful except under such limitations and exceptions as he may prescribe, for citizens and vessels of the United States to proceed through any areas, defined from time to time by him as areas of combat and operations, also so specified in a proclamation, may be invoked to bring about the withdrawal of American gunboats and cruisers from the Far East. Such a step, it is actually known, will have the appearance of giving Japan a free hand in aggression against China.

The provision prohibiting belligerents from floating bonds and securing loans in the United States will have an adverse effect on China's financial strength in her resistance against Japanese invasion.

In conclusion, the "Hankow Herald" hopes that the American Congress, while considering the new Bill will not lose sight of two essential points; firstly, attention should not be confined to Europe alone, but enacting any neutrality legislation, secondly, clear distinction must be drawn between aggressors and victims of aggression.

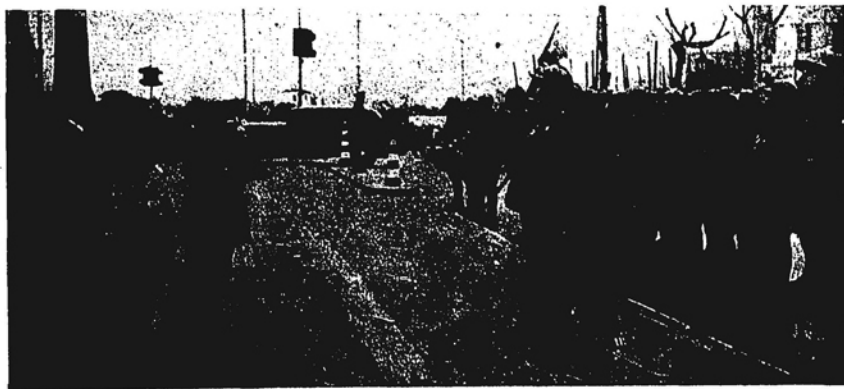
"No neutrality act can help to promote true international peace and justice unless it fulfills these two requirements," the journal concludes.—Reuter.

News of the Week in Pictures

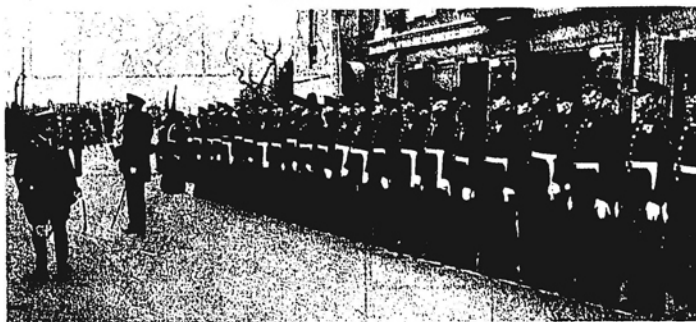


Colonel Perretier Leaves Shanghai

Colonel Perretier, retiring Commanding Officer of the French Forces in Shanghai, bade formal farewell to Shanghai on March 23 when detachments of all military forces in Shanghai paraded in his honour. (Above) Colonel Perretier says goodbye to Colonel J. C. Fegan and Lt.-Col. C. B. Cates. (Below) The pipers of the Seaforth Highlanders on parade on Soochow Road, and beyond them a detachment of Japanese marines.—N.C.D.N.



Colonel Perretier salutes the French detachment which took part in the farewell parade of March 23.—N.C.D.N.



The United States marines looked exceptionally smart in their colourful blue and red uniforms at Colonel Perretier's farewell parade.—N.C.D.N.



Mrs. A. J. Alves, wife of the Portuguese Consul-General, is presented with a silver salver by Mrs. Silva at a farewell reception held at the Clube Lusitano on March 28.—N.C.D.N.



Clemency and Hilary Mann were the attractive flower girls at the Harris-Little wedding.—N.C.D.N.



Mr. and Mrs. N. M. W. Harris leave Holy Trinity Cathedral after their wedding on March 29. Mrs. Harris was formerly Miss Marion Lawrence Little.—N.C.D.N.



Mr. William K. C. Wood and Miss "Jimmy" Chang have announced their engagement.



Mr. A. H. Atkins was elected Chairman of the Committee of the United Services Association of Shanghai at a recent meeting.—Barr's.



An interesting ceremony took place on Friday, March 24, when a party of engineers and shipping men, members of the "Boilermakers Union," assembled to bid farewell to H.M.S. Bee, former flagship of the British Yangtze Flotilla, and now being broken up at Harvey's Shipbuilding Works, Pootung. Mr. Eric Davies, who officiated at "cutting the first rivet," is seen in the centre of the group (in dark overcoat), while on his right is Mr. J. E. Harvey.—N.C.D.N.

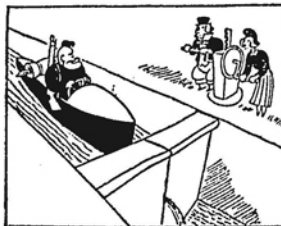


A happy picture of Mr. and Mrs. G. Coquelet, well-known Shanghai residents, and their son Boris, who have been enjoying a skiing holiday in Megève, France.



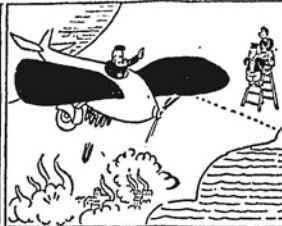
Mrs. F. G. Quelch who is returning to South Africa on April 5, where she has business interests.—Joseph.

As the Cartoonists See the World



"Humanite"

With my tent in Ethiopia, I'll be satisfied.



This extermination will end my interest in Spain.



IL DUCE'S "FINAL DEMANDS"

Once in Tunisia, I shall have no further claim.



Corsica, Nice and Savoy will satisfy me.



With the Roman Empire, I'll want nothing else.



"Das Schwarze Korps"



A NAZI COMMENTARY ON "THE WESTERN POWERS"

They were for the Nigus.

They were for Benes

They were for Schuschnigg.

They were for Negrin.

Now they are—for themselves only.



"Daily Herald"

London

THE NEW MEMBER: "Thanks. You may come in useful again sometime!"



"News of the World"

London

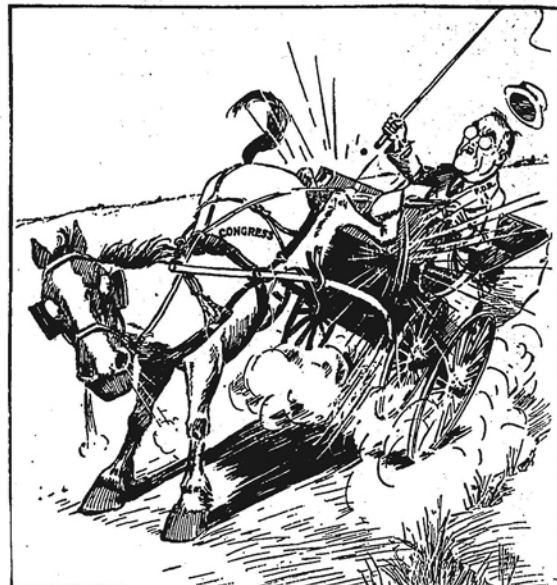
THE USURPER!



"Völkischer Beobachter"

Munich

NATIONAL SPANIARD: "Remember this, sir, in the authoritarian States all gifts are offered disinterestedly."



"New York Times"

New York

"The old gray mare, she ain't what she used to be."



"Evening Standard"

"Honest, Mister, there's nobody here but us Spaniards."

London



"Daily Herald"

THE ELUSIVE WAR

London

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all remittances should be made payable.

BIRTHS

GORDON.—On March 30, 1939, at the London
Clinic, to Blanche Ida (née Marshall) wife
of ROBIN GORDON, a daughter.

PALMER.—On March 31, 1939 at Tsingtao, to
KATHLEEN (née Wood) wife of Norman J.
Palmer, a son.

VINES.—On March 28, 1939, at the Country
Hospital, Shanghai, to Mr. and Mrs. Charles
Carson Vines, a daughter, VERNEY CAROL.

ENGAGEMENT

PEMBERTON—WOOD.—The engagement is
announced of IAN CHARLES McANDREW, elder
son of the late Mr. C. F. M. Pemberton and
Mrs. Pemberton, of Earls Court, London, and
LOUISE, younger daughter of Mr. W. A. R.
Wood, C.M.G., C.I.E. and Mrs. Wood of
Chiangmai, Siam.

MARRIAGES

HARRIS—LITTLE.—On March 29, 1939, at
Holy Trinity Cathedral, Shanghai, by the
Very Rev. Dean Trivett, M.A., D.D., MARION
LAWRENCE, second daughter of Mr. and Mrs.
H. Martin Little, of Shanghai, to NIGEL MAYNE
WILFRED, elder son of Dr. and Mrs. Wilfred
Harris, of Chester Terrace, Regent's Park,
London.

JUHL—LANDMANN.—On April 2, 1939, before
the Danish Consul-General, Mr. P. Scheel,
EDNA LANDMANN, elder daughter of Mr. and
Mrs. M. Dalsgaard, of Copenhagen, to AAGE
JUHL, son of the late Captain and Mrs. H. C.
Juhl, of Copenhagen.

DIAMOND WEDDING

PIERCY—SMAILES.—On April 1, 1879, at St.
John's Cathedral, Hongkong, by the Rev. R.
Hayward Kidd, Colonial Chaplain, GEORGE
PIERCY, Jnr., to JANE SMAILES, daughter of
the late Rev. R. Smalles, of Selby Yorkshire.

DEATHS

BARNHARDT.—On Sunday, April 2, 1939, at
the Country Hospital, Shanghai, CHARLES
BARNHARDT, aged 60 years, of Ancient Land-
mark Lodge, Massachusetts Constitution,
Shanghai Camp No. 1, United Spanish-
American War Veterans, and United States
Navy retired.

DUDLEY.—On March 30, 1939, at his home in
Shanghai, CLARE DUNDAN DUDLEY, aged 58
years.

LITTLE.—On March 30, 1939, at her home,
Central Falls, Rhode Island, ELIZABETH
FREEMAN, beloved wife of Lester K. Little,
Chinese Maritime Customs Service. (Hong-
kong papers please copy.)

MASON.—On March 28, 1939, suddenly at
Worthing, England, ISAAC MASON, aged 69
years. Dearest-beloved husband of E. L.
Mason and father of Mrs. H. J. Mentor, Mrs.
W. J. Russell and Mrs. H. E. Aiers.

IN MEMORIAM

BRISTER.—In loving memory of FLORENCE
BRISTER, beloved wife of Joseph Fane Brister
and mother of Audrey and Sheila. March 31,
1936.

TOWARDS CONSCRIPTION ?

March 29.

Despite reports to the contrary, there is
plenty of evidence to show that the question
of conscription for Great Britain has not yet
become a dead issue, and that in the course
of a few days Mr. Neville Chamberlain may
have to take decisions which may necessitate
his asking to be relieved of his pledge not to
introduce conscription during peace time.
Compulsory military training has never been
looked upon with any great favour by the
British. It seems in their eyes to carry with
it that negation of individual freedom which
is so dear to the British heart, and to put
in its place a form of submission wholly alien
to the genius of the nation. Thus it was with
reluctance, and only when it was shown that
the voluntary system was not supplying the
necessary forces for the successful conduct
of the Great War, that conscription was
eventually introduced, and then under the
specific undertaking that it would be only a
temporary measure to last as long as the

hostilities. It was possible to introduce the
system and train the men only because the
war by that time had become almost com-
pletely static, thus allowing the time neces-
sary to prepare war recruits for their duties
at the various fronts. In the event of an-
other war that may not be possible, and
Great Britain is being brought to full realiza-
tion of the fact that, should hostilities again
break out, there will be little, or no time
in which to fill in deficiencies in the nation's
armed forces. When Mr. Chamberlain gave
his pledge not to introduce conscription in
Britain during peace, it was a very different
sort of peace than that from which Europe
is now suffering. During the past two
years the world has seen the mobilization
of enormous forces as a means of exerting
diplomatic pressure, and in this very tragic
business of power politics, it is more, and
more clearly demonstrated that might is a
far more impressive argument than all the
right in the world.

From that point of view alone it is difficult
to avoid the conclusion that in the interests
of self-defence it is necessary that British
military strength should be augmented to a
degree which would enable its diplomacy to
deal with the various crises which even now
may be expected to arise with rather more
authority than is at present the case. There
must and can be no limit to the support
which Great Britain should be able to extend
to France in the event of hostilities. While
the British army at present available is
something over half a million strong, a sub-
stantially larger force than that of 1914, it
is patently insufficient to meet all the de-
mands which might be made upon it. The
tempo of the next war, if, and when it comes,
will be several degrees faster than the last,
and inadequate preparedness may be the
main contributing factor to defeat. That is
an argument which several of his Cabinet
appear to have used with considerable effect
in persuading Mr. Chamberlain to waive
with regard to his original intention,—that
and the increasingly urgent French repre-
sentations on the subject. Labour it is re-
ported is prepared to support the move
provided that it is paralleled by a general
conscription of all the nation's resources,
which, of course, includes capital. Amongst
Mr. Chamberlain's own supporters there is
influential opposition to conscription, some
of which arises from considerations of party
politics, but, taken by and large, there are
substantial indications which suggest that,
reluctant as the country may be to adopt
a system of compulsion, the realities of the
international situation may oblige it to drink
of this very bitter medicine. Conscription,
introduced in peacetime is a different thing
than in war. Its introduction in the near
future would rob it of all the qualities of
temporariness which marked the passage of
the necessary legislation some twenty odd
years ago, and it may safely be reckoned
that once compulsion reaches the statute
book in such circumstances it will remain
there permanently, or at any rate until some
scheme of general disarmament is adopted
by the world.

On the benefits to be derived from com-
pulsory military training, the well known
authority Colonel F. N. Maude has written
interestingly:—

Briefly, however, it might be pointed out
that under modern conditions of industry the
greatest national wealth-producing power
resides, not as formerly in the technical skill
of the individual, which machinery is gradu-
ally superseding, but in the power of con-
tinuous collective effort of organized bodies,
and that physical health and power of mental
concentration are the principal qualities re-
quired by the units of such bodies. Now
these are the two essential factors which
modern methods of military training aim at
developing, and these methods in turn evolved
naturally from the conditions of service which
compulsion introduced. Men who have un-
dergone this training leave the ranks with
bodies steeled to resist disease and minds
capable of prolonged concentrated effort.
Hence they remain not only capable of work
for a considerably longer period of time, but
they also do better work throughout the
whole time. It has been estimated that the
average trained German soldier's expectation
of life is about five years better than the
normal of his own class. Hence altogether
about one million men are still alive who
without such training would be dead and
buried; similarly there are in all some seven
millions more, all doing better work day
for day than they otherwise would have done.

This was written before 1914, but, neverthe-
less still applies. There are undoubtedly
many who would welcome some such system
if only for the purpose of giving occupation
to those of the rising generation who seem
condemned to permanent unemployment and
deterioration, still others who see in con-
scription the removal of much surplus labour
from the market, and the consequent im-
provement in the unemployment situation.
It is not suggested for one moment that
conscription would be the penalty for unemploy-
ment, but rather a method for the removal
of much of it. That, of course, is a
sociological reason which has its merits, for
the removal of a fairly large section of
adults from the immediate labour market
would be beneficial. That, however, is not
the most urgent argument in support of con-
scription. International realities are press-
ing heavily upon old beliefs and practices.
The main consideration at the moment is a
purely military and political one. A Britain
with a big navy and a large army is a

wholly different nation than a Britain with
a big navy and a comparatively small army.
The former would have more authority in the
world, an authority which would be all the
more conducive to the continuance of peace
and her own self-defence.

NEARING THE END

March 30.

Ever since the capture of Barcelona by
General Franco's troops there have been divi-
sions in the Republican camp. The politicians
wanted to fight on while the generals realiz-
ing that the Spanish civil war could now
only have one end were in favour of obtain-
ing the best terms possible for surrender. It
is possible that General Franco might have
offered something different from the un-
conditional surrender, which he did in fact de-
mand, if it had not been discovered after the
capture of Catalonia that the Bishop of Tuerol,
in the hands of the Republicans as a prisoner,
had been murdered apparently shortly before.
Republican hopes for a general amnesty were
completely dashed by that discovery, and it
is said that General Franco was so enraged
by it that anything less than unconditional
surrender he would not countenance. There
followed the rebellion on the Republican side
by the Communists who wished also to con-
tinue the fight, and at the same time secure
command. That was quashed by the effective
work of General Miaja and Colonel Casado,
and with those two military leaders in power
negotiations were opened for peace. These
were abruptly broken off at Burgos, with
another demand from General Franco for un-
conditional surrender, and with the entry of
the Nationalist troops into Madrid it is clear
that at least the old capital which has with-
stood a partial siege for thirty-two months
has capitulated, and that the end of the
Spanish civil war has been brought appreci-
ably closer. General Franco has secured
unconditional surrender so far as Madrid is
concerned and if the rest of Republican Spain
still decides to fight it out, a futile and
criminal decision it will be, it can only post-
pone what has been recognized for some con-
siderable time as the inevitable end.

The events of the past few days have turned
out fortunately for Madrid. General Miaja
and Col. Casado, military men, fully realized
the hopelessness of the Republican position,
and the advice which they gave to the civil
leaders to abandon further resistance was, in
the circumstances, the only advice which
soldiers could give their Government. It is
more than a little probable that the refusal
of those men to accept that counsel arose as
much from the desperation of their own
position as from any belief that in a con-
tinuance of the warfare there was any real
chance of the tide turning in their
favour. That, however, is no excuse for their
desire to prolong the misery which Spain has
endured for well over two years and con-
demnation of their behaviour in this con-
nection cannot be too strong. Whatever might
have been General Franco's decision regard-
ing how the end of the struggle should come
about prior to the fall of Catalonia, the dis-
covery of the wretched murder of the Bishop
of Tuerol, and a number of other prisoners
undoubtedly caused him to refrain from
giving any undertakings which would tend to
hamper whatever designs he may have for
the punishment of those whose earlier crimes
were brought into stronger emphasis by this
unhappy demonstration of a useless vindic-
tiveness. It is not difficult to understand, in
the light of recent happenings, why it was
impossible for the Republican military leaders
to obtain any terms whatever from the
victorious leader, and short of a miracle
General Franco should ultimately secure
complete control of the whole country with-
out any limitations upon his future policy
with regard to the defeated Republicans. He
will do well, however, if he confines his
retributive activities to the punishment of
those who are truly criminals. There will be
no criticism if he succeeded in bringing to
punishment those guilty of these latest
murders, or indeed of any others whose
offence is more serious than what he may
choose to consider a misguided loyalty to
wrong principles.

Punishment of men for their political beliefs
will not commend itself to many nations, and
may do his own cause a domestic disservice.
It is becoming increasingly plain that General
Franco's troubles do not end with victory,
but only commence. He has not only to get
control of his own country by the despatch
of the alien assistance he has received to its
countries of origin but has also to meet the
aspirations of those various parties in Spain
which rallied to his cause, and which will
hope to receive rewards for their faithfulness.
The task of uniting the various political
parties in Spain, which have supported him,
will indeed prove difficult, while the pacifica-
tion of those still adhering to republican
doctrines will in itself present no easy task.
The latter he may be able to force under-
ground as has been done in other countries,
but the satisfaction of those who have fought
with him, varying as their ideas as to Spain's
future undoubtedly are, will in itself require
the display of a degree of statesmanship
which General Franco has yet to prove him-
self to possess. Internationally there are also
important questions for him to decide. Most
impressive of all is what is to be his attitude

not only towards Germany and Italy, but also
towards the democracies. The rehabilitation
of Spain after all these months of warfare,
the restoration of its industries and the
general return to former prosperity cannot be
achieved unaided. Neither Germany nor
Italy are in a position to afford that help.
Too close an alignment with them will make
the democracies reluctant to give that as-
sistance which they alone are able to afford,
and if General Franco eventually finds him-
self on the horns of a dilemma as to whether
he shall commit himself unreservedly to the
totalitarian states and forego democratic as-
sistance, or accept the latter and antagonize
the former there need be no cause for surprise.
He will find himself in any event in a diffi-
cult position which may take a great deal
of the gilt off the gingerbread of victory.

UNCOMPROMISING REPLY

March 31.

M. Daladier, the French Premier, has
replied to Signor Mussolini's speech of Sun-
day last. In an address, which is almost
epigrammatic in quality, he has made it
quite clear that, while the French Govern-
ment is prepared to consider the Italian de-
mands concerning Tunis, Djibuti, and Suez,
there can be no question of any surrender
on essential points. In fact what he has
adumbrated is that France is prepared to
negotiate only upon the basis supplied by
the Laval-Mussolini agreement of 1935. The
reply is a firm one, delivered in perfectly
conciliatory language, but at the same time
leaving no doubt as to the French position
with regard to the Italian demands. M.
Daladier makes a good point when he de-
clares that the Italian contention that the
conquest of Abyssinia creates new rights in
favour of Italy cannot be accepted. It is a
doctrine which both parties to the Rome-
Berlin axis have been preaching, with en-
thusiastic imitation by Japan. Nevertheless
it is an untenable one, for it means that
every new conquest, every new concession
would open new rights, and every claim
satisfied would contain within itself the seed
of new demands. From every point of view
this is a state of affairs which cannot be
justified. If it is accepted as being correct
then every advantage gained by a wrongful
act would be justification for a further
modification in the general situation, and it
is quite clear that acceptance of such a
contention would be to agree to the system
of opportunistic logic with which the govern-
ments forming the axis have sought by
specious argument to bolster up a case which
has little foundation in justice. France be-
ing ready for a complete, and loyal execu-
tion of the 1935 agreements, and within
their spirit to examine any proposal which
may be advanced M. Daladier has more
definitely stated the French case than Signor
Mussolini the Italian. If Tunis, Djibuti and
Suez do indeed present problems for Italy,
they are of Italy's own making. Tunis was
disposed of in 1935, Djibuti and Suez arise
only from Italy's own conduct.

Coincident with M. Daladier's declaration
is the statement made in the House of Com-
mons concerning the increase in the British
Territorials. That they are immediately to
be brought up to war strength, and then
doubled, means that Mr. Chamberlain is
determined to explore to the fullest extent
the possibility of increasing Britain's military
strength by voluntary means. To those who
are firmly of the opinion that the only real
solution of the problems, in light of all the
circumstances, is conscription, and that as
soon as possible, the decision will be un-
welcome. There is, however, this to be said
about it,—voluntary armies are preferable
from the British point of view to those
composed of conscripts. The only real ques-
tion about which there can be any doubt is
as to whether the British Government will
obtain that response without which Mr.
Chamberlain's scheme must be a failure.
On the face of it, the fact that the Territorial
army is at present from 30,000 to 40,000
under normal strength, does not suggest that
the scheme is receiving all the support which
it should. If that gap were filled up rapidly
there would be some ground for believing
the additional 170,000 men would be easily
obtained, but the fact that recent crises have
not had the effect of bringing the Territorials
up to normal strength rather discounts the
probability of getting that very much greater
number which is necessary to attain the new-
ly contemplated war footing. On the other
hand, now that a new goal has been set
for recruiting, it is possible that by
strenuous campaigning the enhanced figure
may be reached. It is certainly worth try-
ing, even if the period for the experiment
cannot be unduly prolonged. There still
remains the question of whether the French
Government will be satisfied with the pros-
pect of Britain being in such a position as
to be able to dispatch overseas an expedi-
tionary force of 32 divisions. Most certainly
it is an improvement on the 19 divisions
which are at the moment available, but the
experiences of the last war give rise to con-
siderable doubt whether even 32 divisions
will be adequate. They may certainly not
be in the event of a long war.

Nevertheless the knowledge that Great
Britain is prepared to go much further in
her contribution to the safety of the Anglo-
French understanding than was originally

contemplated is a very considerable factor of strength. As such it may in the not too distant future tend to render the idea of a four Power mutual defence pact more acceptable than it at present appears to be in some quarters, for once it is made quite clear that the former policy, which seemed so uncertain, has been changed to one of decisive determination to resist any, and every form of aggression, the entry into practical politics of such a consideration must make any proposal for collective security much more attractive than it otherwise would have been. There can be little doubt that M. Daladier was informed of the British determination before he made his speech. It is not very likely that that knowledge had any very definite effect upon the general trend of the sentiments he expressed, but they have been very realistically emphasized by this latest British development. Those who fancy they see signs of possible aggression by either Great Britain or France arising out of these additions to national strength completely fail to understand the feelings current in those two countries. They are both animated by a desire for the fullest possible self-protection. Their very democratic constitutions are in themselves the best possible guarantee of the pacific qualities of their common policy, for it can be said without the slightest hesitation that if either the British or the French Governments dared to embark upon a war of aggression their political lives would be numbered. That, however, does not prevent M. Daladier from giving the direct uncompromising answer which he has done to the Italian demands. In the circumstances he could have done nothing else. The announcement by Mr. Chamberlain, however, has done much to strengthen the position of the Entente as a whole and that of France as an integral part, and Rome can now not have the slightest doubt as to the real facts of the situation.

IS POLAND NEXT?

April 1.

Whatever demands may, or may not have been made by Germany upon Poland there is no gainsaying the fact that the relations between the two countries are not of the best. Disembodied by Russia, Prussia and Austria in 1795, Poland was re-established after the Great War, and the national aspirations of the Poles which had persisted during the long period of their dismemberment were amply satisfied by developments which occurred after that fateful event. Poland, not content with the boundaries fixed for her, advanced her limits eastward as a result of the Russo-Polish War of 1920, taking considerable areas of White Russia and the Ukraine, while in the same year a Polish army raided Lithuania, seizing Vilna, the capital, and adding to Poland the corridor of territory north of the Niemen. That some German action would be taken against Poland has been plain for many years past. The arrangements originally fixed by the Supreme Council at Versailles were not acceptable to Germany at any time, and have been much less so since the advent of Herr Hitler to power. At the moment the situation is somewhat obscure, but in all probability the story emanating from Warsaw is an approximation of the truth. There it is unofficially reported that at a secret meeting of the Parliamentary Club on Wednesday it was stated that although up to that time Germany had made no demands upon Poland, demands were to be expected. The Club is also reported to have been told that when such demands were made the reply given would be a firm negative. The two main points which appear to be at issue concern the status of Danzig, which the Germans would like to see modified, and the provision for special German transit across the Polish corridor. It is stated that representation on these subjects were recently made by the German Foreign Minister, Herr Joachim von Ribbentrop, to the Polish Ambassador to Berlin, but that Poland declined to give the matter any consideration under the implied threat of military pressure.

It is probable that at the moment the German leaders feel that the *mise en scene* for a fresh coup has not yet been properly established. There have already been the familiar reports of attacks in Poland upon Germans living there. Dr. Wilhelm Frick, German Home Minister, in a lecture in Berlin, has expatiated upon the favourable position of foreign minorities in Germany, as compared with the "often precarious condition" of German minorities abroad, and in this respect he paid especial attention to the Germans in Poland, asserting that the Germano-Polish declaration of November, 1937, had failed definitely to settle this tricky problem. He went on to express the hope that negotiations which had recently been opened concerning the matter would be productive of satisfactory results. Simultaneously the German press carry stories of members of Polish associations hunting out Germans wearing white socks, considered a Germanic emblem, and beating them. It is Austria and Czechoslovakia over again, the same old technique which gives rise to forebodings in the chancelleries of Europe. A fortnight ago little was heard of stories of this nature, but now the German news agencies are apparently busily carrying them. There can be no wonder that the

eyes of the world are anxiously watching to see that Mr. Neville Chamberlain is likely to do in the event of the situation taking that turn, which past history suggests it is likely to do. By the time these lines appear in print, he may have made the British position clear, and if he decides to join France in the maintenance of Polish integrity there will be very few Britons indeed who will question the advisability of such a declaration. If by such a step he can eventually induce Poland and Rumania to throw in their lots for mutual defence against aggression it will in all probability be the best means for the securing of an enduring peace. Such a combination would be of undoubted strength and would deprive aggressors of the opportunity of picking the parties to it off separately.

Of the Polish determination to defend herself there cannot be the slightest doubt in view of all that has happened recently. The mobilization of a substantial portion of her forces is sufficient indication that she will not voluntarily submit to that treatment which Herr Hitler has applied so successfully to Austria and Czechoslovakia. That the subjugation of Czechoslovakia by Germany means that Poland would have to fight upon two fronts, instead of one, as hitherto, places her at a certain disadvantage which can, however, be completely offset by an Anglo-French combination determined to assist Poland to defend herself. If Mr. Chamberlain, as it is suggested by Havas, takes the drastic action of making an unilateral declaration guaranteeing Polish integrity in accordance with the Kellogg Pact it will amount to the most powerful intervention in European affairs which Great Britain has made since the Great War, and should once and for all place the whole issue of peace, or war fairly, and squarely before both Dictators. There will undoubtedly be those who may fear the consequences of the British assumption of the role of international policeman in Europe, as involving responsibilities which it was hoped the nation had dispensed with long ago, but if it is necessary to assume such responsibilities in the interest of peace, a peace which is just as valuable to those over whom the Dictators rule, as it is to the peoples of the democracies, then the fact must be faced, and Great Britain must act accordingly. If this is to be the ultimate decision of the Prime Minister it should be made known without the slightest delay. Procrastination may lead to developments bringing about a situation from which no one concerned could withdraw. Early announcement might serve to prevent irrevocable commitments, and if the same speed is shown in this matter as was shown recently in the Mediterranean much good may be effected before great harm is done.

ESSAY IN SARCASM

April 3.

If indeed Herr Hitler did rewrite the speech he was to make at Wilhelmshaven on Saturday, after learning of Mr. Neville Chamberlain's declaration with regard to the guaranteeing of Poland's integrity, with the intention of making a fiery reply to the British Prime Minister, the original draft must have been about the mildest which Der Fuehrer has ever conceived. The amended version is not particularly imposing, for while in the main it contains considerable sarcasm, the only real retort to the latest decision of the British Government was a veiled threat that in certain circumstances Herr Hitler might consider denunciation of the Anglo-German Naval Treaty. It is to be believed that that was a contingency which Mr. Chamberlain and his advisers always had in their minds, for they must have realized that their decisions were bound to call forth a counter-stroke from the German leader. In the circumstances his reply is one of moderation, and vastly different from some of the other of his speeches which have been awaited with an anxiety as a rule quite out of proportion to the actual event. Any student of what has been happening in recent years must have realized that, unless the democracies were to become increasingly supine until actual weakness set in, there would have to be a limit to the complacency with which German expansion by power diplomacy could be viewed. The Austrian Anschluss was in itself bad enough. The crisis of September last was but another example of the danger arising from the manner in which Herr Hitler sought to carry out his expansionist policies, while the final grabbing of Czechoslovakia could not fail, in the light of all that had happened, to be just that further straining of the limits which finally called forth more positive action on the part of Great Britain than had hitherto been witnessed.

If Herr Hitler's audience at Wilhelmshaven is convinced by the Leader's rhetoric that Germany is indeed being surrounded by hostile and aggressive forces, those more fortunately placed with complete access to the world's news will not be. The forceful territorial aggrandisement which has been effected by Herr Hitler is the only form of aggression which has been noticed of recent years in Europe. There has been nothing of the same sort on the part of the European democracies. They have for all too long acquiesced, willingly, or unwillingly, in what

the Dictator states have been doing, until the fear has arisen as to whether they have not allowed them to go too far. It is idle now to endeavour to fix blame for the failure of Mr. Chamberlain's policy of appeasement. It is, however, only fair to point out that so long as he believed there was any chance of its succeeding he was bound to continue with it. Through no fault of his own it failed, and the British Prime Minister stands a bitterly disillusioned man, amidst the ruins of his attempted reconstruction of peace, endeavouring now to build up a security which he has been now forced to realize was at all times threatened. The fact that he has turned from his policy of appeasement to one preparing for the possibilities of war, does not mean that he has committed Great Britain to an aggressive policy, or that those whom Herr Hitler has bitterly dubbed the war-mongers have secured any greater influence in the British Cabinet than they have had in the past. All that it is now being sought to do is to create a modified form of collective security based upon nothing more than the mutual agreement amongst certain nations to go to each other's help in the event of aggression. The responsibility for a European war, if unfortunately one does come, has been quite definitely placed upon Herr Hitler's shoulders, unless there should take place some far-reaching change in the common policies of Great Britain and France. Herr Hitler has only to embark upon another attempt to expand Germany in Europe by force to bring about a war which would be catastrophic.

The studied moderation of his speech, and his declaration that the next party congress would be called the "Party Congress of Peace," may be attributed to the present situation, and his hope that the holding out of this particular olive branch may have the effect of deluding Great Britain, France, Poland and Russia into the belief that after all there is no real hurry for the defensive arrangements which are being contemplated. If that is indeed his idea, the events of the last week or so should have warned them that in the light of his actions Herr Hitler's words now carry very little conviction. The manner in which his statement after Munich, that he had no further territorial ambitions in Europe, was subsequently belied by all that has happened since permits of no favourable deduction to be made from the name which he intends to give the next Party Congress. The proof of any pudding of his concoction can now only be in the eating; so many of the others have proved so unpalatable. Denunciation of the Anglo-German Naval Treaty would come as no surprise after all that has already transpired. If it did, it would be only just one more piece of evidence to show that the British and French statesmen had been lulled into a state of false security, from which, fortunately, they have now emerged. Far from it being possible to criticize the incongruity of the acceptance of Munich, and Britain's hurried acceleration of rearmament, it is now only possible to believe that even Mr. Chamberlain had early cause to believe that Munich was not the end but the commencement of German aggression. The only real question which now worries Europe is whether the belated offer of support to Poland made last week will have all the effect hoped for it. That only Herr Hitler knows. He may yet proceed with his contemplated demands upon Poland with the idea that he may again be able to bluff his way through by a demonstration of might. If he does, and Poland determines to resist there may be no "Party Congress of Peace." The delegates to it will, in all probability, be urgently engaged elsewhere.

BELGIAN STALEMATE

April 4.

Though Havas gives what it calls the provisional results of the Belgian general election for the House of Representatives, it is clear that, as the report covers 201 of the 202 seats in the House, no particular change can be effected in the general situation by the outstanding result. Nor has there been brought about any substantial alteration in the voting strengths of the parties, when, considered as coalitions similar to that over which M. Henri Spaak presided when the issue over the appointment of Dr. Albert Maertens to the Flemish National Academy of Medicine, forced his resignation. Belgium has been long sharply divided on the age-old rivalry between the Flemings and the Walloons. Dr. Maertens is Flemish. It is alleged against him that during the War he was hand in glove with Germany, as were many other extreme Flemings, who wanted, and still want some sort of autonomy. As an Activist he was tried in absentia for treason in 1920, sentenced to death, but eventually pardoned under the amnesty of 1927. By a very narrow majority the House of Representatives approved of the appointment, but not so the Belgian ex-service men, who, both Fleming and Walloon, marched on the Chamber and assaulted M. Spaak. The attitude of the ex-service men seems to have been that it was all very well to pardon a man convicted of treason, but that it was going a little too far when the State raised such a man to a position of high honour. It is unnecessary to follow in detail the various attempts to form a government after M. Spaak resigned,

but failures led to the dissolution of the legislature and the ordering of a general election. That election has been fought out bitterly between the various parties and while no very important change has taken place in the constitution of the new Chamber, there are significant alterations in the standing of the various parties.

The most interesting feature of the results is the very severe reverses, which the Fascist Rexist, under the leadership of the young M. Leon Degrelle, have sustained. At the last election no fewer than 21 Rexist succeeded in obtaining seats. Their number has now been reduced to six, and if the missing result happens to be in their favour they will still have lost two-thirds of the representation they had in the former parliament. From the figures it would seem that most of those seats must have gone to the Catholics, who now have the honour of being the strongest party in the Chamber, numerically, controlling 74 votes as compared with the former strength of the Socialists of 70. The latter who now have 68 votes are the second strongest party in the Chamber, and if they succeed in maintaining the same combination of parties as before, namely Socialists, Liberals and Flemish Nationalists, would control 111 of the seats of the Chamber, and at the same time gain access to power. The change in this coalition as a result of the election is of interest, for it is apparent that though the Socialists lost two seats, being reduced from 70 to 68, the Liberals gained five, rising from 23 to 28, while the Flemish Nationalists at 15 lost a seat they had previously held. The general result of the reshuffle is that the coalition, if it continues to exist will actually be stronger by two votes than before, the total being 111 as against the former 109. Much, of course depends upon the attitude which the strengthened Liberals will adopt. When they realized that the ex-service men were opposed to the appointment of Dr. Maertens, they decided they would not have him either, though their previous vote had undoubtedly helped him to the position, and the withdrawal of their support from M. Spaak brought about the collapse of his government.

Small though their numbers may be compared with the total votes in the Chamber, they appear to be in a position of strength somewhat similar to that at times occupied in the House of Commons by the Irish party prior to the secession. Without them the Socialists cannot carry on. Should they decide to throw in their lot with the Catholics that combination would only command 102 votes giving it a majority of one, certainly insufficient to ensure anything in the nature of a long life for it. The position may be briefly summed up as a stalemate, though the nation appears to have rendered a verdict against the appointment of Dr. Maertens, the cause of the whole trouble. The crisis is, therefore, expected in some quarters to continue indefinitely unless King Leopold decides to intervene in some manner. There are those who see in recent events the development of that monarch into a ruler of considerable strength, even likening him to King Carol, which may not, however, be entirely justified. That view, it is claimed, is justified by his actions arising out of the Maertens incident. Because he had signed the decree of appointment, of course on the advice of his ministers who are naturally expected to check the suitability of candidates submitted for his formal approval, King Leopold was subjected to some criticism. On February 2 he summoned them to the palace, and there in the Hall of Thinkers, so named after Rodin's statue which is there, kept the Cabinet standing while he addressed them strongly on the needs and the omissions of the government. Will he be able to break this stalemate by some determined action of his own? The Constitution of the country does not suggest that this is likely, and yet some solution of the present impasse is necessary if the business of government is to be efficiently carried on. He is likely to be opposed by very determined men, such as M. Spaak, and M. Hubert Pierlot, leader of the Catholics though probably not by M. Leon Degrelle whose influence however, has sadly diminished, not only by the failure of his party in the election, but because of the defection some time ago of supporters who exercised a very considerable influence.

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THE NORTH-CHINA DAILY NEWS
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SHANGHAI NOTES

Boundary Difficulties

Settlement hire car chauffeurs still refuse to take passengers into Japanese-controlled areas as a result of the recent murder of two of their number in Hongkew by unknown assassins. Naturally, if there is an impression that they are subject to murderous attacks when they carry passengers in these districts in the ordinary course of their business, and have received no assurance to the contrary they have every right to act for self-preservation. It is a pity that the murders have not been cleared up because they only add to the mounting number of difficulties obstructing passage between the two areas where conflicting jurisdictions and conditions apply. Despite the complex nature of what might be called Shanghai's international frontiers, a point of contact and intercourse had been reached which transcended political obstacles, red tape and passes. It was based on goodwill and a sense of humour of those using these exits and those guarding them. A recent illustration of international co-operation with language differences cast to the winds was furnished at the Great Western Road crossing when a foreigner took a hire car to Hongkew. The car halted at the crossing where the Chinese chauffeur showed his pass and remarked to the Japanese sentry "Pass, arimasu." The foreigner, stumbling ineptly through a Japanese conversation manual, ventured to try his "Ko-nichi-wa"—Good Day—to the sentry, who grinned immensely and replied in English not unlike Hollywood—"Alright O.K." International courtesies in alien tongues were exchanged and the sun did seem to shine a little brighter as the car proceeded up the road.

Broadway Mansions

Broadway Mansions, Shanghai's largest apartment building and hotel, passed from British to Japanese ownership on March 28 and henceforth this massive block, dominating Broadway and The Bund, will fly the Japanese flag and will be used for purposes which have not yet been completely revealed. Financial transactions were completed on March 25 at the British Consulate when a cash order was handed over to the Shanghai Land Investment Co., Ltd., and terminated negotiations conducted for several months but delayed in completion through the difficulty in arranging the payment of cash which was an essential part of the sale. Yesterday morning, there was a little ceremony on the roof of the building more in the nature of a political settlement rather than a property sale. Flags were lowered and raised and national honours were paid signifying the importance of the event. Not only is this the largest property deal in many years but it is the first large transaction by Japanese interests in an area where military necessity has been elevated to the status of almost complete control. Other buildings in Hongkew are being operated by Japanese interests either through lease or other forms of possession based on the peculiar condition existing in areas claimed to be under Japanese jurisdiction. It is likely that this purchase may be the forerunner of other arrangements giving definition in other cases to an unsatisfactory state of affairs brought about by the Sino-Japanese hostilities and the Japanese assumption of authority. The sooner this situation is cleared up the better it will be for the future of harmonious international relations in Shanghai.

Office Boy Mystery

Shanghai continues to assume queer publicity value in the estimation of some of the world's greatest newspapers. Here is a gem from the London "Daily Herald" by its Shanghai correspondent describing an event which appears to have slipped notice:

In dozens of Shanghai offices this morning there was no response when impatient European managers shouted "Boy." The mystery of the mass disappearance of hundreds of Chinese office boys was explained tonight when it was disclosed that they had secretly slipped through the Japanese barriers to join the Chinese Army. Most of the boys, whose ages range between 15 and 20, were students at Shanghai night schools. For weeks an underground movement to join the Chinese army had been organized in the various classes. Last night the signal to join up was given. Dressed in peasant clothes, walking in groups of not more than a dozen at a time, the boys did not attract the attention of the Japanese sentries. Once in Chinese territory they were met by Chinese guerrilla leaders, who conducted them to their various units. The boys will serve mainly as scouts and messengers with the Chinese forces in Shanghai's surrounding provinces of Anhwei, Kiangsi and Hupeh.

It is a rather wide and sweeping geographical survey to say that the surrounding provinces of Shanghai are Anhwei, Kiangsi and Hupeh. The provinces of Chekiang and Kiangsu, which immediately surround Shanghai are not mentioned but, when you come to think of it, situated almost at the mouth of the Yangtze, it can really be stated that Shanghai is surrounded by the whole list of provinces constituting China.

House Rentals

The letters which have been appearing in the correspondence columns of this journal draw attention to what appears to be a widespread scheme for the further increase of rentals above those increases which have already been met. In some cases the raising of rent may be justified, but the general impression is being formed that some at least of those landlords responsible for the upward movement of rental charges are indulging in the pleasant game of making hay



M. Daladier:—"Madame! It is Our Most Superb Creation!"

while the sun shines. It is all the more regrettable that many of the tenants concerned are small-salaried men, many of whom have had no very substantial rise to meet the increased cost of living, and feel fortunate that they are not out of a job. The fact seems to be lost sight of that the greater proportion of the foreign residents in Shanghai are, like the Chinese, not receiving their salaries on a gold or sterling basis. They are for the most part working for undertakings which earn in the national currency and would be unable to meet the large increases in wages calculated to offset the extensive depreciation in purchasing power which has resulted from the drop in exchange. On them present conditions weigh heavily, and it is a definite disservice to them and the community as a whole to impose upon them additional burdens which they are ill able to carry. Fortunately there are landlords who have a proper realization of the moral issues involved, and who have either refrained from raising their rents, or have done so only to an imperative minimum. They stand out as a decided contrast to those others who are not animated by the same considerations. There is something to be said for the increases which were put into effect last year. The dollar had taken a tumble, and there was some uncertainty as to the future which was undoubtedly provided for in the increases then charged, but with the establishment of a fund to stabilize China's currency, and the consequent better outlook for the future, it would seem that the actions of certain landlords in raising their charges to their tenants at such a juncture must inevitably arouse the criticism which is being manifested.

The Cenotaph

Something over a week ago, at the annual general meeting of the United Services Association, reference was made to the filthy condition of the Cenotaph. A recent inspection clearly showed that something ought to be done about it. The itinerant vendors should be kept away from the steps, which would prevent the whole area being littered up with all sorts of refuse, the unsightly but abutting on the balustrade should be removed, and precautions taken against the use of the place as a urinal, which has, very obviously been done. Some years ago a similar state of affairs was noticed and remedial action applied, which now seems to have fallen off. That may have been due to the unprecedented condition of the Bund, since the outbreak of hostilities in this area, but it is suggested that the time is long overdue for drastic reformation. After all it must be remembered that this War Memorial reminds Shanghai of the very solemn fact that large numbers of its sons gave their lives for their respective countries. It was very solemnly dedicated, and stands on ground hallowed not only by remembrance but actually by prayer. In the circumstances it is imperatively necessary that something should be done to better existing conditions, and in addition to what is already suggested, it is felt that the practice of parking cars and lorries in front of the Cenotaph should also be stopped. If it is not possible to maintain adequate police protection of the Cenotaph, and its immediate surroundings, and in view of all the demands which are made upon the force that may be the case, then it ought not to be impossible to secure the services of duly appointed watchmen to do the work. Present conditions are a disgrace and call for the complete reformation. It is certainly not fitting that the city's principal monument, one representing what it does, should be allowed to continue in its present unfortunate state.

AROUND THE WORLD

B. B. C. Complacency

In its handbook, which has just come to hand the B.B.C. complacently remarks "The school broadcasts get more unqualified praise than almost any other part of the B.B.C.'s output except the news." That was probably written some weeks ago, or at least before the campaign which has been conducted in the British Press, and particularly "The Times" on the quality of the news broadcasts, which it was claimed *inter alia* conveyed too much depressing news, contributing to that peculiar state which is now being described as the "jitters." It is somewhat surprising that the Press should have indulged in this attack, for if anyone should know the difficulties of disseminating news it should be them. With a substantial editorial staff in the B.B.C. headquarters, it is nevertheless dependent upon the same news services as the papers themselves, though many of the latter maintain considerable numbers of correspondents abroad who help them to deal more effectively with the output of the various news agencies than can the B.B.C. One thing which critics of the news broadcasts generally overlook, is the difference between the spoken and the written word. There can be no question of what is meant by the latter, for it can be almost permanently retained. The broadcaster cannot even repeat himself, and having said what he has to say, for good or ill the subject has to be left. It is a well known fact that the spoken word has different effects upon different hearers. It is almost impossible for a number of listeners to produce anything like good paraphrases of what has been said with complete agreement between the versions, and very often the paradox is justified that it is not what a man says but what his hearers hear that matters. The complaint is also made that what is broadcast in the evening very often does not appear in the Press the next morning. The reason is obvious. All a broadcaster can do is to report the state of the news at the time he is speaking. Subsequently, between that time and the hour at which the newspapers go to press, despatches may be received by the editorial staffs of the latter, either completely out-dating that information, or presenting it in an entirely different light. Consequently what broadcast may cause a night's anxiety may be proved by the morning's press to be either incorrect or perhaps vastly over-emphasized. That is one of the weaknesses of broadcasting as compared with the daily newspaper.

"Per Ardua Ad Astra"

Today is an important day in the history of British aviation. It is the 21st anniversary of the formation of the Royal Air Force, which was created by the amalgamation of the Royal Flying Corps and the Royal Naval Air Service on April 1, 1918. The R.A.F. was given birth during the war and was essentially a war-time creation for its two components entered the struggle more in the nature of mechanical novelties rather than useful fighting auxiliaries, but the impetus aviation received through its widely-expanding sphere of usefulness resulted in its emergence at the end of the war as one of the most decisive factors. And that impetus, transferred into civilian effort on the part of many countries, lay the foundation of the world system of airways now in existence. No branch of mechanical invention has developed so rapidly as aviation and it can be said that,

among the many ill effects saddled on this world by the last war, the war in the air was the least of them. The Royal Flying Corps was established on May 13, 1912, and its assortment of fickle equipment included a dozen aeroplanes and such things as man-lifting kites and gas balloons. On the outbreak of war in 1914, the R.F.C. was able to send four squadrons to France, leaving a single flight at home, and the crossing from Dover to the aerodrome, then designated as a park, at Amiens, must be historic. The R.N.A.S. was much older in service than the R.F.C. for the Navy had experimented with airships years before and the nucleus of the force was provided in February, 1911, when two civilian pilots offered themselves and their two machines and offered to train four pilots. Gradually, the aeroplane began to assume its part in the general military scheme and thenceforth progress was rapid. By the middle of 1917, the air arm was no longer a toy and under the act of 1917 the first Air Ministry was created to administer Britain's air forces, and the first step was the decision to amalgamate the independent naval and military branches and on April 1, 1918, the Royal Air Force came into existence, uniting the two efforts backed by the country's engineering skill and resources. In these days of colossal rearmament, the 1918 war-time effort was of staggering proportions. Between January, 1918, and October, 1918, British factories built 26,600 machines and 29,500 engines, and when the Armistice was signed, the R.A.F. possessed 22,000 machines, increased to 30,000 by deliveries under war-time contracts, and a strength of 150,000 men, of whom about 50,000 were trained pilots. This was a magnificent achievement and represented a preponderating air factor, the sacrifice of which critics of present rearmament view with dismay when the country has to go abroad to buy a few hundred machines to fleet the present air strength to parity with fleets of other countries—somewhere about 3,000-4,000 machines. The history of the R.A.F. during the war needs no repetition. It has been told so often. It was a battalion of youth, fired with enthusiasm and high purpose and receiving the challenge of enemy combatants in like manner. It had its tradition although traditions are measured by decades not mere years, and that this tradition has not been lost is shown in the response to the R.A.F. recruiting appeal, either in the regular or territorial branches, which has made an adequate strength easy to maintain.

British Ship Subsidies

Abandoning the traditional policy of free competition, the British Government has heeded the plea of British shipowners and shipbuilders and has decided on a system of subsidies to meet subsidized foreign competition. This decision has been forced on British shipping interests by the almost universal system of state-aid for shipping introduced in the last few years and which has proved detrimental to British activity. The British Chamber of Shipping recently reported that more than 100 countries in the world now give government assistance to their mercantile marines, and only Britain and a few others are exception to the rule, and suffer accordingly. Under the new British Government scheme, financial assistance will be made available for tramp shipping, and appropriate grants will be given to assist owners of tramps and cargo liners who order new ships during the next few months, and £10,000,000 will be made for loans to shipowners over a period of two years for new tonnage. Another £2,000,000 will be provided, with Parliamentary sanction, for the purchase of suitable vessels on the United Kingdom register, which, still capable of service, would otherwise be sold to foreign owners for breaking up purposes. As regards passenger liners excluded from these foregoing conditions, an advisory committee will be established for two years to examine and advise the Government on requests for assistance from liner companies suffering from subsidized foreign competition. The wisdom of this decision, in view of existing conditions, will not be challenged. Shipping interests have been for some time attempting to impress on the Government the necessity for such a step, and while there is a feeling that the decision has been taken rather late in the day and it will be two years or so before its effect will be appreciatively felt, yet it will give immediate confidence to shipowners that the Government is supporting them in their efforts to meet foreign competition, and maintain the volume and prestige of the British shipping. Another important aspect of this decision hinges on the vital necessity of maintaining an adequate mercantile fleet in view of uncertain political conditions existing in the world. Without an adequate merchant fleet Britain, dependent on overseas sources for so much of her supplies, is at the mercy of other countries better equipped, and this applies also to the Far East where the expanding state-aided Japanese mercantile marine has progressed by leaps and bounds as a world ocean carrier. The Imperial Shipping Committee, established at this point in a recent report which urged better equipment for British ships, and a greater devolution of management, including more authority for Eastern representatives. The report stated: "The issues involved concern naval and economic defence in time of peace and war. What Singapore is to the Navy and Air Force, that is what the markets in the Orient are to the mercantile marine. The prosperity of great British mercantile banking interests in the Far East depends on the ability of British merchant shipping to keep its share in the carrying trade in Far Eastern waters."

Dangerous

A sufferer from insomnia went into a chemist's shop to buy some morphia. The chemist said: "Have you got a doctor's prescription?" "No." "Well, morphia is a dangerous drug." The man said: "Do I look like a bloke who'd kill himself?" Said the chemist: "I don't know, but if I looked like you I'd be tempted to do it."

NEWS FROM THE INTERIOR

Nanchang Now Cleared

Japanese in Complete Control of City; Many Defenders Trapped; Battle for Wuning

With Japanese Forces in Nanchang, Mar. 28. MEETING with little resistance, four Japanese detachments completed mopping-up operations against stragglers here at noon today. Fires started by exploding shells as the troops entered the city yesterday afternoon, were gradually subsiding.

Rising Sun flags flapped in the breeze and damson blossoms dotted the streets as two detachments which crossed the Kan River by junks from Yangpingchow, two kilometres north of Nanchang station, aided by a tank unit, entered the north-western corner of the city at 4 o'clock yesterday afternoon. Two other Japanese units entered by the south gate after crossing two creeks which flow outside the city.—Domei.

Hankow, Mar. 28. Several divisions of Chinese troops which had been stationed between the Siu River and Nanchang have been trapped by the occupation of the Kiangsi capital and their retreat has been cut off, field dispatches reaching here today claimed. Some of the Chinese forces in the area retreated to the south-west.

A detachment which captured Fengsin turned to the north and at 1 o'clock on Sunday night launched a surprise attack on Tsingia, 15 kilometres north of Nanchang. The city was captured a short time later.

Another unit which crossed the Siu River from Tsinkow, south-west of Lok, pushed on along the Wanyang Mountains and near Tsingian attacked several thousand Chinese troops in the mountains south-east of Huang-yashan, a peak of the Wanyang range. Heavy losses were said to have been suffered by the Chinese.

Chinese Along Railway

Other detachments started a drive against about 30,000 Chinese whose retreat has been cut off along the Kiukiang-Nanchang Railway.

Encircling operations were being pushed also against several thousand Chinese troops said to have been thrown into confusion in the areas south of Nanchang and north-west of the Kan River, according to the field reports.

A powerful Japanese unit severed the Chekiang-Kiangsi line at a point near Wanchang, 20 kilometres south of Nanchang, at 11 o'clock this morning, according to the report of a pilot of a scouting plane which flew over the area. Disruption of the line at that point cut off the retreat of Chinese troops of the 18th Division, according to a message from an Army air base.

Chinese troops in the area are commanded by Gen. Ku Chung-tung.—Domei.

Nanchang's Importance Stressed

New York, Mar. 28. The importance of the capture of Nanchang by Japanese troops was stressed in the "New York Herald Tribune" here this morning. "The city is the western terminus of the railway from Hangchow through two hundred miles of a country which no war force has penetrated and from which the Chinese Government has been receiving food supplies," the paper declared. "The capture of Nanchang cuts Western China off from the maritime district. It also gives the Japanese another base for a westerly advance against Changsha. It is not unlikely that the next advance will be in the direction of Changsha because the possession of that capital, which is connected to Canton by rail, would interrupt Chinese movements between the Upper Yangtze and the neighbourhood of Canton."—Havas.

Japanese Navy Assists

Shanghai, Mar. 30. Japanese naval forces operating on the Kan River in Kiangsi at 3.30 p.m. on March 28 occupied Changshiang, 30 kilometres north of Nanchang, the provincial capital, communiqué issued by the Japanese China Seas Fleet command at 4 o'clock yesterday afternoon said.

Naval aircraft, the communiqué declared, were actively bombing Chinese troops retreating along the Chekiang-Kiangsi railway and the Nanchang-Kian highway, hampering their movement by inflicting heavy losses in men and material.

Changsha Defence Ordered

Hongkong, Mar. 30. Surprised at the sudden fall of Nanchang, the Kuomintang command has been repeatedly issuing orders to the Chinese defence headquarters in Changsha to defend the city to the last man, at least until July 10, according to reliable reports received here today. No reason for the specified date was given.

Changsha is believed to be the next objective of the Japanese, the reports stated.

Previous to the fall of Nanchang, the Kuomintang régime had been at-

tempting to move a large number of troops of the Kiangsi army into the ninth war zone with Nanchang as its centre, the reports said.—Domei.

Junks Offered Japanese

Hankow, Mar. 31. Emerging from hiding in the countryside as Japanese forces reached the Kan river bank near Nanchang on Sunday evening, owners of about 30 junks offered to ferry the Japanese forces across the river, field dispatches received here today revealed. This proffer of necessary boats, the reports said, occurred both at Tsengkia, about 15 kilometres south of Nanchang, and at Shenningsieh, near Tsengkia.

This attitude of the junk owners was attributed by Japanese officers to the resentment aroused among the Chinese farmers and others by the exactions of irregulars, who are preying on the countryside. The excesses of guerrillas were alleged to have been particularly widespread in the Chinese Ninth War Zone in which Nanchang is included.

Because of this assistance, the field messages said, the Japanese detachment that crossed the Kan river at Tsengkia was able to intercept Chinese troops on the east bank of the river retreating to the south from Nanchang, inflicting them heavy losses. The Chinese, thus unexpectedly attacked, left behind 1,300 dead, while 700 others were taken prisoner, the dispatches said. Japanese losses during this engagement were given as one killed and six wounded.

Two anti-tank guns, 20 light machine-guns, 250 rifles, 20,000 rounds of ammunition and 20 horses were also taken by the Japanese. Meantime, in north-western Kiangsi, Japanese forces continued their advance westward following the capture of Wuning, pivotal defence position on the Yungsiu-Siusui highway, which extends westward to Changsha.

At 2 o'clock on Wednesday afternoon, the Japanese were said in field dispatches reaching here to be in possession of a line linking Hsichuan, Chnapiao, and Maokoushan, about four kilometres west of Wuning.

Across the Siu River, Japanese forces by 5 o'clock the same afternoon had reached Changlingcheng, five kilometres south-west of Wuning, after occupying Nanshih, opposite Wuning.—Domei.

Bridge Blown Up

A Japanese Air Base, Mar. 31. Chinese troops fleeing westward from the Nanchang area along the Chekiang-Kiangsi railway, at 5 o'clock yesterday evening, blew up the Kan river bridge near Changshuchen, ten kilometres north-east of Linkiang, a town also known as Tsingkiang, Japanese aerial scouts reported today.

Meantime, Japanese aircraft continued an active chase of retreating Chinese troops. More than 50 freight cars filled with troops were blown up yesterday afternoon in the hills east of Linkiang. The area is about 90 kilometres south-west of Nanchang.—Domei.

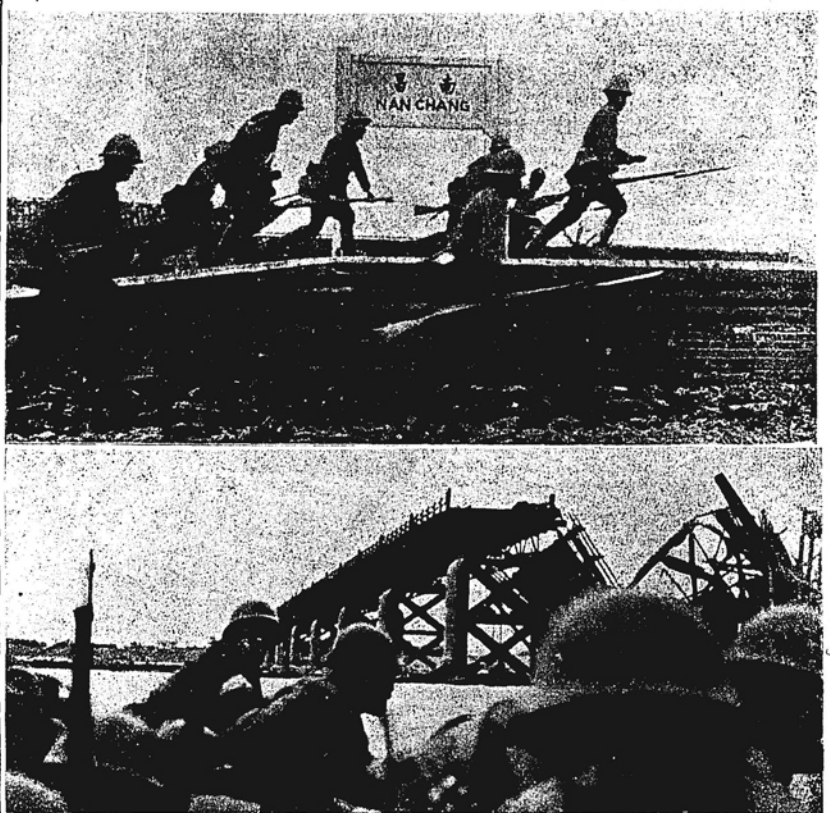
Heavy Losses in Battle

Chungking, Mar. 30. Heavy losses in the fighting to hold off the Japanese onslaught on Nanchang, the official capital of Kiangsi, were admitted today for the first time in official Chinese reports. One report mentions 20,000 dead, but does not state how many of these were Japanese.

It is not possible to ascertain to what extent the Chinese command has made preparations to meet further Japanese thrusts in the direction of Changsha. Informed quarters assert, however, that a large number of Chinese troops are available in the theatre of operations.—Trans-Ocean.

Nanchang Drives Pushed

Chungking, Apr. 1. After their occupation of Nanchang, the Japanese forces have not continued their push to the south along the Nanchang-Pingshiang Railway, but, instead, are concentrating their efforts in a push to the west, according to Chinese reports.—Reuter.



Scenes in Japanese Attack on Nanchang

These photographs, the first to be received in Shanghai, show the fighting at Nanchang with, above, Japanese troops crossing the Kan River in boats with the partially-destroyed Chungheng Bridge in the background, and, below, Japanese vanguards at Nanchang station. These photographs were picked up near Nanchang by a Japanese army flier, transported to a Japanese air base, thence flown to Fukuoka, Kyushu on March 28 by a Domei aeroplane which brought them to Shanghai on March 30.

Japanese Take Wuning

Many Surrounded Chinese Surrender; Others In Retreat Towards South; Thousands Slain

Hankow, Mar. 29.

JAPANESE forces which entered Wuning this morning had completely captured the city by 6 o'clock, a communiqué issued by the headquarters of the Japanese Expeditionary Force to Central China stated at noon today.

With close co-operation of land and air forces the Japanese troops inflicted a "crushing blow" on nine divisions of Chinese troops who were offering stubborn resistance from their entrenched positions east of Wuning, the communiqué added.—Domei.

Wuning, Mar. 29.

Completing the encirclement of the walls of this city before daybreak, four Japanese detachments crashed through the gates and entered the city at 4 o'clock this morning.

After they had surrounded the city the Japanese detachments did not enter at once but closed the gaps in their lines in order to prevent Chinese troops from escaping.

Concerted operations to encircle the city were started after nightfall on Tuesday under cover of an artillery bombardment.

A vanguard unit, advancing during a severe thunder-storm, captured the east gate of Wuning at 11 o'clock last night. The three other detachments reached the city soon afterwards and the Japanese were in control of the surrounding region at 2 o'clock in the morning.

A hill west of the city was captured at 2 o'clock in the morning. Part of the Japanese forces set out in pursuit of Chinese troops retreating westward.

Chinese in the area totalled several divisions under Gen. Wang Ling-chi.

Ten-Day Drive

Furious fighting marked the ten-day drive which resulted in the capture of Wuning, completing a campaign begun on March 20 at Lok and covering a distance of 32 kilometres.

Situated on the bank of the Siu River, Wuning is completely surrounded by old walls. It covers an area 1,200 metres from east to west and 800 metres from north to south. Favoured by a rugged terrain, it constituted a strategic position on the defence line connecting Teian, Lok, Wuning, Siusui and Chngsha.

Five dormitories attached to a military academy were placarded with anti-Japanese slogans when the Japanese troops entered the city.

All along the inhabitants had long since evacuated the city, and the Chinese troops had been driven out, one lone soldier was left behind, a 12-year old boy. According to a

pocket manual he carried, he was a superior private in the newly-organized 14th Division. He said there were many soldiers younger than he in the Chinese ranks.

After the thunder and lightning storm of last evening, the city presented a pastoral scene, contrary to what was expected after the fierceness of the fighting which culminated in its fall.—Domei.

Trapped Chinese Surrender

Tsengkia, Mar. 29.

Intercepted by two Japanese detachments, 700 Chinese attempting to escape from an encircling net in the Nanchang area by retreating southward finally abandoned the effort and surrendered today.

One Japanese detachment which took part in the assault on Nanchang killed 3,000 Chinese, field dispatches claimed. This unit captured 2,000 men, including 30 officers, and eight mountain guns, two heavy guns, four trucks, 5,000 bags of provisions, a large number of Czech machine guns and rifles and a large amount of ammunition.

Farther to the west a Japanese column which was taking part in the operations north of Ksoan, 70 kilometres south-west of Nanchang, launched a flanking attack on 2,000 Chinese already engaged by another unit in the vicinity of Chihlienchang. The Chinese were said to have suffered a "crushing blow."

Three Chinese divisions numbering about 20,000 men were reported to be in the mountains east of Chihlienchang.—Domei.

Chinese Retreat Southward

Tokyo, Mar. 29.

Driven from Nanchang Chinese forces were fleeing from Fengcheng, 60 kilometres south of the Kiangsi capital, toward Linkiang, also known as Tsingkiang, 40 kilometres south-west of Fengcheng, along the Chekiang-Kiangsi Railway, Japanese aerial observations at 4 o'clock yesterday afternoon revealed, field dispatches reaching here today said.

Bridges along the Chekiang Railway were being blown up and tracks removed by the Chinese in an attempt to check the Japanese pursuit, the report stated.

Chinese troops were resorting to boats as well as overland routes in retreating from Nanchang.

The Chinese troops, which totalled 20 divisions in the Nanchang and Wuning Sectors, left 3,200 dead while 1,400 others were taken prisoner by the Japanese in the Nanchang sector alone, the reports stated.—Domei.

Chinese Offensive in Anhwei

Chungking, Mar. 29.

Fighting of an especially severe nature is raging at Lientang, ten miles south of Nanchang, and at Kwashan, ten miles south of Lientang, on the railway from Nanchang to Pingshiang, according to Chinese reports.

After crossing the Kan River at Shennieh, the Japanese forces in this area are said to be trying to cut the railway south of Nanchang, thereby preventing the retreat of the Chinese forces fighting a rear-guard action inside Nanchang.

At the same time, Chinese reports continue to feature the Chinese counter-offensive in south Anhwei and in Chekiang. Chinese forces in south Anhwei, they state, advanced on March 27 in three columns towards Tsingyang and Tungling, situated on the south bank of the Yangtze River, south-west of Wuhu.

In Chekiang, Chinese forces are stated to have crossed the Ichun River and to have occupied Lingchiachiao.—Reuter.

Wuning Front

Chungking, Mar. 30.

Fighting on the Wuning front is continuing in the hills five miles north-east of Wuning, according to a Chinese despatch.

Chinese forces in south Honan province, it adds, have launched three assaults on Sinyang, on the Peiping-Hankow railway, with Chinese artillery heavily shelling the Japanese troops holding out inside the city walls.

At the same time, Japanese aircraft are reported to be bombing the Chinese troops surrounding Sinyang. The Japanese are also stated to be rushing reinforcements from Yingshan to support their Sinyang defenders.—Reuter.

GENERAL Teng Hsi-hou, Pacification Commissioner of Szechuen province, will conduct a tour of inspection of the Western Szechuen areas on April 1, to study the progress of reconstruction, says a report to the "Shun Pao."

Japanese Capture Kaoan

Junction with Kwangtung Forces Anticipated;
Chinese Launch General Offensive in Hupeh

Hankow, Apr. 2.

JAPANESE forces, pursuing retreating Chinese troops, at 7 o'clock this morning captured the walled city of Kaoan, strategically located on the Nanchang-Changsha highway, about 50 kilometres southwest of the Kiangsi provincial capital, headquarters of the Japanese Expeditionary Force to Central China announced in a communique issued here this afternoon. Newly-arrived Chinese reinforcements, the communique said, had been "crushed" by the Japanese onslaught upon Kaoan.

Chinese troops, defeated at Kaoan, were reported in field dispatches to be fleeing westward towards Yuan-chow along the Kiangsi-Chekian railway and Hengyang, in Hunan province, along the Canton-Hankow Railway. Defeated by the Japanese at Kaoan, the reports added, were several thousand men of the 51st Chinese Division, augmented by the students' and juvenile corps.

Chinese forces abandoned 7,500 dead or about 10 per cent. of at least 15 divisions which had been defending the Wuning Area, Japanese military authorities there declared yesterday.

Uniforms of the slain indicated that the Wuning sector was defended by at least 15 divisions attached to the First Army Corps under Gen. Lo Chao-ying, a commander in the ninth war district. The number of dead abandoned in the Chinese retreat from Wuning indicated that the total Chinese casualties must have reached a huge figure, Japanese Army officers stated. They estimated that the remaining strength of Gen. Lo's forces was about one half or one third of the original.

The Japanese success in crushing the forces far outnumbering them was an outstanding achievement of the hostilities worthy to be included in Japan's war annals, Japanese officers stated.

Japanese Army air units were making daily raids on Chinese troops retreating from the Nanchang area on highways toward Changsha and Yifeng, Japanese Army authorities in Hankow stated. Favoured by clear weather on Friday afternoon, a large squadron of Army planes continued attacks along the Chekiang-Kiangsi Railway. One unit bombed five military trains of 40 cars each moving westward in the vicinities of Hsiu-yu, Hsiapu and Yuanchow. Fifty coaches and wagons in station compounds also were bombed.—Domei.

Changsha, Next Objective

Chungking, Apr. 2.

The next military objectives of the Japanese form the topic of lengthy discussions in the Chinese press. It is generally believed that following the fall of Nanchang the Japanese will now continue their advance on Changsha the capture of which would enable them to push forward in a southerly direction and join hands with the Japanese troops coming from Kwangtung province.

Chinese military reports confirm that the main body of the Japanese troops is advancing westwards of Kaoan which is on the road to Changsha. This, it is thought here, constitutes the first step in a general advance in a westerly direction. The Chinese view is based on increased activity of the Japanese in north-eastern Hunan. The Chinese counter-measures will consist mainly in an intensification of the guerrilla warfare in the neighbourhood of Nanchang.

The Chungking "Ta Kung Pao" stresses the necessity of bringing the Japanese advance to a definite standstill and advocates a change of the Chinese military tactics. It is necessary, says the paper, that the Chinese troops should be able to fight instead of retreating.—Trans-Ocean.

Chinese Launch Offensive

Chungking, Apr. 2.

Fighting is reported to be continuing in the vicinity of Kaoan, southwest of Nanchang. The Japanese advance, however, has been halted two miles south of Wuning, according to Chinese dispatches from the front.

In South China, fighting is said to be going on between Kongmoon and Sinhui. After the arrival of their reinforcements, Chinese troops are said to be holding positions east of Sinhui.

Launching a general offensive against the Japanese positions on the east bank of the Siang River, between Yokou and Shayang, Chinese forces on the west bank crossed it at three points yesterday, according to Chinese dispatches from the Hupeh front.

The Chinese right wing in the vicinity of Yokou is said to have crossed the river east of Changkang, the Chinese centre column to have occupied Sanchoan and at present there to be converging on Tafenchau, while the left wing is stated to have crossed the river at Kwantoutsien and to be advancing on Szekang.

At the same time, the Chinese troops at Shayang, the dispatches

Kongmoon Attacked By Japanese

Macao, Mar. 25.

Following the bombing of Kongmoon yesterday, Japanese forces advanced against Kongmoon today. Intensive fighting is proceeding.—Reuter.

Unconfirmed reports state that the Japanese succeeded in entering Kongmoon, following a day-break attack, at 2 p.m. today. The Japanese, employing 25 planes, gunboats, artillery and infantry, succeeded in overcoming the Chinese volunteers, who set fire to the city when they retreated. Refugees are pouring into Macao and the Chungshan district is believed to be dangerous, following the appearance of troopships and destroyers near the coast.

Later reports state that fierce fighting is still proceeding in Kongmoon.—Reuter.

Japanese Occupy Kongmoon

Hongkong, Mar. 30.

Japanese troops yesterday occupied Kongmoon in an apparent effort to occupy all Chinese territory between Canton and Macao, according to Chinese reports received here today.

The new Japanese offensive carried Japanese troops into that area of China from which most Chinese Americans emigrated.

Japanese forces meanwhile were reported increasing air raid precautions in the Canton area after an alleged Chinese raid 30 miles north-east of Canton earlier in the week. The new Japanese aerodrome at Taipingchow was said to have been the main objective of the Chinese raid.

Meanwhile, Japanese warships were again reported to be concentrating near Waichow Island in the immediate vicinity of Pakhoi. Some Chinese reports predicted the Japanese would attempt a landing this week in an effort eventually to cut China's "life line" linking Chungking with the sea.

Japanese troops were reported to have occupied Kongmoon after eight hours of severe fighting during which Japanese warships and planes blasted Chinese troops out of their defence positions. The Chinese were said to have set fire to the city before their withdrawal.

A total of 2,000 Japanese troops were said to have carried out the actual occupation of Kongmoon. Chinese refugees arriving in Macao reported that crowded Japanese troops transports appeared off Tongka, indicating the imminent conquest of the Chungshan district.—United Press.

Recapture Claimed

Macao, Mar. 29.

Chinese officials in Shekhi report that the Chinese forces recaptured Kongmoon yesterday evening, after fierce fighting.

The Chinese forces, it is claimed, also repulsed an attempted landing by the Japanese at Wangmoon. The Chinese further claim that they have recaptured Yungki and Kweichow.

Refugees continue to pour into Macao.—Reuter.

Fierce Resistance

Macao, Mar. 30.

Reports from Shekhi state that the Chinese troops are continuing their "fierce resistance" to Japanese attacks. It is claimed that the Chinese have succeeded in driving back the Japanese at Pakkai, near the approaches to Kongmoon.

One report states that two Japanese planes were destroyed today in aerial combat.

It is further reported that, following the arrival of Kwangsi troops under General Chang Fah-kwei, leader of the "Ironsides," the Japanese suffered heavy losses in the vicinity of Kongmoon, retiring yesterday evening.

The Japanese are stated to have reoccupied Yungki and Kweichow.—Reuter.

Ding-Dong Battle

Hongkong, Mar. 31.

It appears that a ding-dong battle is in progress at Yungki and Kweichow. Local Chinese sources claim that the towns were reoccupied by Chinese forces yesterday, whereas later Macao reports state that they have again fallen into Japanese hands.—Reuter.

Attack Launched

Macao, Apr. 1.

Refugees report that the Japanese troops launched a strong attack yesterday evening, recapturing Pakkai and Kongmoon. The Japanese are stated to have advanced to Sun-wui, where fierce fighting is now said to be in progress.—Reuter.

Chungking, Apr. 1.

Street fighting is going on in Kongmoon, according to Chinese despatches from the Kwangtung front. Japanese forces, they added, under cover of aerial and naval bombardments, effected a landing on March 30 at Tangshan and Paichai.

The Japanese units which were landed at Tangshan, the reports de-

clared, withdrew yesterday morning as a result of a vigorous attack.

Fresh Japanese reinforcements, however, they continued, were landed in Paichai yesterday morning, after which the Chinese withdrew in the direction of Kongmoon.

At the same time, Chinese in Chungshan and Shunchei are said to be organizing a defence of their districts in anticipation of a Japanese southward advance from Yungki and Kweichow.—Reuter.

Landing at Bocca Tigris

Macao, Mar. 28.

The Japanese troops, which are making a drive towards the Chungshan district, are reported to have captured Yungki after a whole day of fighting against Chinese guerrillas. The Chinese are said still to be opposing the Japanese.

At the same time, reports have been received here to the effect that 12,000 Japanese troops were landed near Bocca Tigris over the week-end.—Reuter.

Hainan Cities Raided

Shanghai, Apr. 2.

Japanese naval aircraft co-operating with infantry engaged in mopping-up operations against troop remnants raided Kapehi and Lingkow in the northern part of Hainan Island on March 31, the headquarters of the Japanese China Sea Fleet announced in a communique issued in Shanghai yesterday afternoon. Bombs were showered on the two cities, the statement said. The same air units attacked Lolo in the southern part of the island, according to the communique.

Tokyo Denies General Umetsu Killed

Tokyo, Apr. 1.

The War Office today categorically denied a report emanating from Chungking that Lieutenant-General Yoshizo Umetsu, described in the report as the Commander of Japan's 1st Army Corps in North China, had been killed in action near Shulu, in the south-western part of Hopei Province, on March 22.

A spokesman for the War Office pointed out that Lieutenant-General Umetsu was not in Hopei Province, but was in command of the Japanese forces in "another province."—Reuter.

Japanese Suffer Set-back

Chungking, Apr. 1.

Lieutenant-General Yoshizo Umetsu, of "Ho-Umetsu Agreement" fame, described as the Commander of Japan's 1st Army Corps in North China, was killed on March 22 or 23 in an engagement near Shulu, in central Hopei province, south-east of Cheunging, according to a Central News Agency dispatch from Chengchow.

Lieutenant-General Umetsu, the dispatch stated, with his staff in 70 motor-cars, headed by an artillery tank and infantry units, on the morning of March 22 advanced to the border between the Shulu and Chih-shien districts.

After 24 hours of very severe fighting in the vicinity of Kweichaiwang, it added, the Japanese retreated, suffering 850 casualties.

Among those killed, it continued, were Lieutenant-General Umetsu, the Japanese Garrison Commander at Shulu, and a commander of a Japanese artillery unit.—Reuter.

Kweiyang Asks Relief For Raid Victims

Shanghai, Mar. 29.

Relief is urgently needed in Kweiyang, capital of Kweichow, which was severely bombed by Japanese planes on March 4 and the Kweiyang Branch of the Chinese and Foreign Famine Relief Committee has sent an appeal for help to its head office in Shanghai. The central district of the provincial capital is said to have been completely burned down and more than 5,000 families rendered homeless. The casualties total about 1,000.

One thousand and three hundred houses and shops were destroyed as a result of the aerial bombardment which is said to be unprecedented in provincial history. Bodies are still being dug out from the debris although only about 1,000 casualties have been reported. The total property loss amounts to \$50,000,000.

About 30,000 people have become refugees because of the bombing. Financial help from official sources is said to be small. Both the Military Affairs Council and Executive Yuan have jointly sent \$120,000 while the provincial authorities have given \$30,000 only. Philanthropic bodies are powerless to handle the situation.

The Kweiyang branch of the committee is said to have done its best to help the unfortunate people ever since the bombing. More than 200 injured people have been sent to hospitals and more than 300 bodies buried.

Chungking Control Of Guerillas

Shanghai, Mar. 31.

In preparation for recovering lost territory, the Chinese Government has sent special commissioners to all guerrilla areas to investigate, to give the people suitable political training and to re-organize all guerrilla units so as to improve their efficiency. The regulations governing the reorganization have been enforced and all local military authorities and magistrates are required to carry them out.

According to the Chinese press, the new movement chiefly aims at improving the existing conditions in guerrilla areas where the people have not been well organized and therefore unable to assist armed forces to achieve their aim. The people will have to be trained so that they may do publicity, espionage, transportation, destruction and relief work for the army.

In order to effect perfect control of guerrillas and to avoid conflicts among various units of guerrillas themselves the Chungking Government is now reported to take districts as units and in each of the guerrilla districts there will be a commander who will serve as the military leader of the district in addition to the magistrate. By reorganizing the guerrilla units the Chinese government hopes to gradually wipe the "enemy" forces in occupied areas, which are officially called "guerrilla areas."

Tax System to Be Changed

The tax collection system in all guerrilla areas will also be changed. It is pointed out that at present the people living in guerrilla areas are much troubled by the heavy taxes collected not only by "puppet" officials but also by guerrillas. It is admitted that there is confusion as villagers often pay taxes to bigger bands of guerrillas and also to small groups of them which are in reality, members of the bigger units. The Chinese Government has decided to readjust the situation so that clear balance sheets will have to be submitted by guerrilla commanders and magistrates who are required to deposit savings with banks and remit them to the Ministry of Finance.

This new official movement reflects the present condition of what people generally call guerrillas. While it is difficult to fix out the exact condition of guerrillas individually, it is a fact that villagers coming to Shanghai from interior districts where guerrillas often make appearance have complained against their behaviour in some cases, especially in respect to the taxation system they enforce.

Judging from the statements made by these villagers, it is apparent that guerrillas are divided into two distinct types. While one type of guerrillas is under the government control the other type belongs to local organizations. The opinion has been freely expressed that many of the so-called guerrillas belonging to the latter group are little different from bandits who flee when they see Japanese soldiers. The officially commissioned guerrillas are said to be getting their wages regularly. It is they who are co-operating with Chinese regulars sent to the Chekiang front in fighting the Japanese forces.

Government Departments To Leave Chungking

Chungking, Mar. 26.

All government departments are to be removed within the next four weeks to towns 100 kilometres from Chungking, according to an official announcement made tonight.

Evacuation will take place in accordance with the decisions and plans of the evacuation committee appointed some time ago, and although no details are given, it is believed that all the ministries and legislative bodies will be affected.—Trans-Ocean.

Haimen Port Closed To Shipping

Chungking, Mar. 30.

The Chinese Foreign Office today officially notified foreign Embassies that Haimen, on the Chekiang coast, is, at present, closed to navigation.

This, it is stated, is being done as a precautionary measure against a possible Japanese landing in that area.—Reuter.

The Sino-French-Belgian-Swiss Cultural Association was formally inaugurated in Chungking on March 26 with over 200 prominent Chinese officials attending the ceremony, says a Chungking Chinese message to the "Wen Wei Pao." Mr. Wu Ching-heng was elected chairman of the Association, while a number of prominent Chinese and French, Belgian and Swiss members were elected honorary officials the report adds.

NEWS FROM THE INTERIOR (continued)

Conditions in Shansi City

Japanese Found Town Stripped Bare of Everything; Forced to Withdraw by Guerillas in Rear

With the Chinese Forces somewhere in Shansi, Mar. 14.

LATE at night, on tired ponies, we rode into Chihhsien, a Shansi city which the Japanese have twice occupied and twice been forced to abandon. Early the next morning, the City Magistrate, an alert man in the forties, paid us a formal call. He related the story of the city's experiences, giving details from a note-book.

The Japanese, he said, knowing the city to be an important Shansi centre, first marched there through the mountains more than a year ago. As was customary in Shansi, the inhabitants abandoned the city after removing all their food and valuables. Nevertheless, he continued, the city was damaged to the extent of \$150,000, many houses being burned.

About 400 Chinese wounded soldiers, whom there was no time to remove, were bayoneted to death by the Japanese, the magistrate stated. Their bodies, he said, were found when Chinese troops recaptured the town after ten days, after guerrilla attacks had forced the Japanese to retreat to the railway.

"The second time that the city was attacked was last December," the Magistrate continued.

City Stripped Bare

"Similar precautions were observed. The city was stripped bare of food, while other possessions were buried. This time, the damage amounted to \$200,000.

"A Japanese force of 20,000 men advanced in three columns, and occupied the city for about one month. They were allowed to take possession and were not strongly resisted, but Chinese forces closed in behind them, blocking the passes.

"During the Japanese occupation," the Magistrate continued, "Japanese foraging raids resulted in the loss of 900 animals, which were taken for food, and the death of 87 persons, who were shot by the Japanese. Among those dead were 71 peasants, while the others were local officials."

He then told a grim little story of nine families who were living on the summit of a rocky eminence a mile from the city, which could only be reached by chain ladders.

"The people drew up the chains when the Japanese appeared demanding food," he said, "when the Japanese attempted to scale the cliff, they threw down rocks and furniture on their heads, killing several.

"After four days of resistance, the Japanese scaled the hill and put the inhabitants to the sword, some 30 persons being killed. The only survivors were four of the youngest children, two of whom were wounded, while the other two escaped by feigning death."

"The Japanese were speedily obliged to abandon Chihhsien and began to retreat through the mountains in mid-winter, according to the Magistrate's story, which high Chinese army officers later corroborated. They were forced to retreat since their communications were cut off and food was running short.

"Then the Chinese army seized the opportunity, while holding the passes, and attacked the Japanese, as short of munitions and provisions, they struggled along the trails," the Magistrate said.

"One quarter of the Japanese force, including several high officers, totaling 5,000 in all, suffered casualties, according to Chinese reports," he concluded.

Before resuming our journey, we went for a stroll through the streets of Chihhsien, which is a typical small walled Chinese city, lying in a narrow valley between hills. About one fifth of the buildings had been burned, but the city was packed with peasants, and there was a busy trade mart.

Business As Usual

Strings of laden horses, mules and donkeys paced single file through the narrow cobbled streets, which were crowded with inhabitants examining wares in exposed booths, many of which were situated in the ruins of burned premises. A wide variety of goods were on sale and everybody's motto seemed to be "business as usual."

"If the Japanese come again, we shall do as before," the Magistrate told Reuter's correspondent.

"We will leave them an empty city, cut their communications, and wait till they are obliged to retreat. Meanwhile, the local government will function in the hills a few li away.

"Then, when they go, we shall re-occupy the city," the Magistrate predicted.—Reuter.

The Osaka Shosen Kaisha has decided to resume regular steamship service between Hainan, on Hainan Island, and Haiphong in French Indo-China. The O.S.K. operated this service for eighteen years before 1932 and decided to resume it now that the Island had come under Japanese control.

Guerillas Wreck

Tungpu Line

FROM REUTERS SPECIAL CORRESPONDENT

Somewhere in Shansi, Mar. 25.

More than three miles of the Tungpu Railway, south of Linfeng, in Shansi province, were torn up by Chinese troops on the night of March 18, according to a report which has reached Chinese Headquarters, where I am staying.

I was present when a soldier, who looked like an ordinary peasant, entered Headquarters and was shown into the presence of the Divisional Commander. He saluted smartly, and proceeded to relate how about 100 Chinese troops, accompanied by 30 peasants, descended from the hills east of the track, and began to destroy the line, tearing up the rails.

They were left unmolested, he said, until 4 p.m. that day, when Japanese guards discovered what was taking place. An armoured train left Linfeng Station, the soldier reported, and attacked the guerillas, whereupon the latter withdrew, suffering only two wounded.

More than 200 rails are said to have been carried off into the mountains, while peasants gladly carried off sleepers, since fuel is scarce.

Precautions Redoubled

The soldier stated that the Japanese have redoubled their precautions, increased the number of guards along

Seven Spanish Priests Held by Guerillas

Hankow, Mar. 29.

A dispatch received here today from Anking by the Augustinian Procuration reports that seven Spanish Jesuits have been captives of Chinese guerillas since January 17. The scene of the outrage is reported to be the vicinity of Taihu, on the border of Anhwei and Hupeh provinces.

The guerillas first took the six missionaries prisoner, and when their Bishop went out in an attempt to effect their release, they did not permit him to return. As far as is known, there have been no demands for ransom, the reason for the "arrest" of the priests being that they had used Japanese military notes, which are in circulation in the district.—Reuter.

the railway, and dug pits which the Japanese soldiers entered each evening, spending the nights on guard. There are pits placed between the block-houses, he stated, which now command both sides of the tracks.

The Chinese General commanding this area told me that the Japanese were making great and unsuccessful efforts to protect the northern railways.

The Tungpu line, he declared, at present has a line of block-houses on both sides of the track, each with enough provisions for one month. The track is patrolled every few hours by units numbering up to 100 men.—Reuter.

Hundred Die as Planes Raid Lingshan

Chungking, Mar. 31.

One hundred persons were killed and 200 wounded when 18 Japanese planes attacked Lingshan, east of Chungking, on March 29, according to a Chinese despatch from that city. The raiders are said to have dropped more than 100 bombs on the city and to have demolished 200 houses.

Several bombs are reported to have directly hit the city goal, killing 40 prisoners.

When the Japanese planes passed Wanshan on their way east on their return flight, they dropped one bomb on the city, demolishing four houses.

At the same time, says a Chinese report, a squadron of Chinese machines at noon on March 19 bombed a concentration of Japanese warships in the vicinity of Funing, off the north Kiangsu coast, damaging two warships.—Reuter.

Italian Ambassador In Tientsin

Tientsin, Apr. 1.

The Italian Ambassador to China, Marquis Taliani de Marchio, accompanied by his wife, arrived here by train from Chingwantao at 10.24 last night on an official visit of two days.

After his visit in Tientsin, the Ambassador will go to Peiping for a more prolonged stay.—Reuter.

Japanese Prisoners Found

Well Treated by Chinese; Close Co-operation Seen Between Peasants and Soldiers

FROM REUTERS SPECIAL CORRESPONDENT

With the Chinese Forces Somewhere in Shansi, Mar. 30.

IN a remote Shansi village, I unexpectedly encountered three Japanese prisoners who were engaged in the translation of political writings for their captors. Travelling in the company of a Chinese divisional commander, who was on his way to his division in "occupied" territory, we rode into a mountain village about mid-day, and stopped to investigate.

We were shown around, and were introduced to the prisoners, who were dressed in faded blue Chinese uniforms, indistinguishable from those of other workers in the village, which turned out to be a political centre.

They were typical Japanese peasants. Speaking through a Korean interpreter, one of them said he was a farmer's son. He had been called to the colours, trained as a lorry-driver, and sent to China.

The other two also said they were lorry drivers, and reported that they had been captured when they had lost themselves near Linfeng, in west Shansi. Replying to questions, they said they were well treated by their Chinese captors.

Asked their opinion, tears came to their eyes; they hung their heads, and glanced hesitatingly towards one another; then one, bolder than his fellows, spoke.

"The war," he said, "is one of Japanese imperialism, and China is fighting for justice and peace."

Unable to Return

His comrades and he thought Japan would soon be bankrupt: China would be victorious, but would be a humane victor. They were unhappy, the prisoners told me, because according to Japanese law soldiers once taken as prisoner were not allowed to return to their native land.

Two things have so far struck me in my journey through Shensi and Shansi provinces:

First, the avowed determination on the part of the mass of the common people to resist the Japanese; and, Secondly, the extremely thorough process of organizing the peasantry, both politically and militarily.

No village, however small, is without a political education centre which organizes meetings, speeches and plays, and displays posters. Even in hamlets, the village head conducts proceedings with aid from the nearest large centre, where there is usually an office of the "Salvation Through Sacrifice Association" and other bodies engaged in this work.

Local self-defence corps are also being used as a means of giving the people elements of military training in a more systematic form than they have had in the past.

Co-operation

The peasants are thus in contact with officers of the regular army, and every effort is being made to ensure thorough co-operation between the army and the people.

"The army and the people must unite"—this is the present slogan in Shansi.

Many times I have heard people sing the "Ho-Hai-Ho," or the "Army and People's Song," which begins with the words: "Our army and people co-operate: you fight at the front; I work at the rear."

I watched closely for signs of any lack of spontaneity in gatherings I encountered, but could not detect any. On the contrary, I saw much evidence of the keenness with which the people took up their new wartime activities.

I happened to be the first newspaperman to visit this part of remote Shansi. The population united in their efforts to welcome me, and told me they intended to fight hard.

Local self-defence corps of their own accord turned out to greet me, as have sometimes deputations of villages, besides officials. Some members of the defence corps are armed with spears, others quite unarmed.

Creditable exhibitions by peasants have been given after only one or two weeks' training. The most convincing evidence of the present spirit in Shansi, however, was found in the behaviour of peasants towards the soldiers in remote places where we stopped for food and guides.

Soldiers Welcomed

I was accompanied by a small group of soldiers, all of us riding shaggy little Mongolian ponies. Not long ago the appearance of such a cavalcade at his door would have caused a Chinese peasant anything but pleasure, but we were received with unfeigned goodwill, and given food, for which we paid, and all other help we wanted.

We stopped at a group of caves where the people gave us boiled water, gathered around us and chatted. When asked if they had eggs, they hastened to collect fifty, which they wanted to give us without payment, but the soldiers insisted on paying. Such an event as a Chinese

peasant giving soldiers food, and the soldiers insisting on paying for it, would have been inconceivable not so very long ago.

When we requested a guide, young men came forward willingly. Shansi consists largely of bare, serrated mountain ranges intersected with numberless deep ravines eroded by the action of rainfall—ravines where one might lose whole regiments. It is perfect country for guerilla warfare, and it is difficult to imagine how anyone can subjugate the defenders, who have the advantage of local knowledge.

The Chinese general who was my travelling companion said as we stood on the brink of the Yellow River, before a crossing at a point where there were deep gorges: "Japan is as strong as this rock; China as weak as the water beneath us; yet in time we shall wear away that rock even as the Yellow River has done."—Reuter.

Gen. Chiang Plans New Offensive

Tokyo, Mar. 31.

General Chiang Kai-shek is planning a large-scale offensive in North China for the immediate future, according to reports featured in all the papers here on the basis of information said to emanate from a reliable source in Peiping.

Chinese troop movements indicate, it is stated, that counter-attacks against Japanese positions from a southerly direction will take place on various sectors of the Lunghai front, while a drive will be commenced on southern Shansi from Sianfu in Shensi province.

Another theatre of operations, the reports declare, will be the Suiyuan-Charhar region.

For some time now, it is noted, Gen. Chiang Kai-shek has been stimulating increased guerilla activities on all fronts. Now it is his policy to stimulate the fighting spirit of the Chinese troops and strengthen the confidence of third Powers in the fighting abilities of the Chinese army, in the expectation of being able to open up larger sources of foreign aid to the Chinese cause from Britain, France and Soviet Russia.

The latter consideration, in the opinion of Japanese military circles, is likely to lead to increased Chinese military activity, but it is doubted whether the Chinese command is in a position to organize any general offensive on a large scale at the present time.—Trans-Ocean.

Arms Pouring Through Burma to China

Rangoon, Mar. 31.

Considerable quantities of arms continue to arrive here for trans-shipment to China by the Lashio-Kunming highway. Details concerning the amount, value and nature of these supplies are unobtainable.

The attitude of the Burma Government appears to be neither to obstruct nor facilitate the trans-shipment of these arms, the flow of which is guided solely by the speed with which the Chinese transport authorities are able to handle the traffic. Supplies are sent by railway to Lashio and from there carried over the highway to Kunming.

Motor transport arrangements are in the hands of the South-west Transport Co., which has opened an office in Rangoon.

The Burma Government has given the Chinese Government a concession for importing petrol from Burma by the highway free of export duty. This concession is believed to have been actuated by commercial rather than political considerations, as Burma is naturally keen on encouraging China to buy her petrol from this country.—Reuter.

PERSUASION to Chinese Government orders that beginning from this year tea exported to foreign countries is to be shipped from Hongkong, and not from Shanghai as hitherto, more and more branch offices of local tea merchants have been established in the Colony, says the "Shun Pao."

Japanese Encircling Chinese in Shansi

Peiping, Mar. 31.

Japanese encircling operations against 30,000 Chinese troops, which entered the Chungtiao mountain range area in south-western Shansi, were making rapid progress, field dispatches reaching here today claimed.

With the Eighth Central Army Division acting as a "desertion prevention unit," the Chinese forces in this area were reported to consist of the 177th and 117th Divisions and the Independent 40th and 47th Brigades of the Shensi Provincial Army, and the 104th and 178th Szechuen Divisions, under the command of Gen. Sun Wei-ju. The bulk of these troops crossed the Yellow River to infiltrate into the Pinglu and Juicheng areas.

The Japanese "round-up" was launched on Wednesday after exhaustive preparations. Striking from the area east of Chihhsien, 25 kilometres north-west of Pinglu, a Japanese detachment by 2 o'clock on Wednesday afternoon had taken Wuksien, south of Chihhsien, after dislodging the 177th Shensi Division from positions in that area.

Other Japanese columns, the dispatches added, took Juicheng after putting to flight the Eighth Central Army Division after a lightning attack launched from Hanyang, south of Puchow, by way of Taiwang-chwang. Chulutsun, another town near Juicheng, was also reported having been taken on Wednesday.

Cutting off the communications of the 104th and 178th Szechuen Divisions after breaking through their defences at Changtienchen, south of Shiehhsien, another Japanese unit was pressing upon Pinglu, being defended by the 177th Shensi Division and the Independent 40th Shensi Brigade, after driving through Maotsingtu, east of Pinglu, and Taichentsun, north of Maotsingtu, the reports asserted.—Domei.

Chungking Gets Two Air Raid Alarms

Chungking, Mar. 29.

Chungking has had two false air raid alarms within 24 hours. The most exciting experience was, when shortly after 9 o'clock last night, the air raid alarm sounded just when the streets were crowded with people, the theatres were packed, and the restaurants filled with diners.

There was a wild scramble for shelter, motor-cars, buses, trucks, rickshaws and sedan-chairs rushing in all directions, while the side-walks were jammed with pedestrians. Searchlights combed the sky for the invaders. The all-clear signal sounded one hour later. It is believed in some circles that the air raid alarm was given for the purpose of testing the defence against a night raid.

The alarm again sounded at noon today, and Chinese pursuit 'planes were seen cruising high above the city, but no raiders appeared. The "all clear" sounded shortly afterwards.

The second alarm was sounded in Chungking, it was learnt, when 18 Japanese bombers were sighted above Wanshan, on the Yangtze River, halfway between Ichang and Chungking, but the raiders, after passing Wanshan, turned back and probably bombed Wanshan.—Reuter.

Rail coal deposits have been found along the Yunnan Railway following a survey made by Mr. Ling Wen-yang, a Chinese geologist, representing the Yunnan Railway Bureau, says a Chinese message to the "Shun Pao." The Ministry of Economics, upon the receipt of very favourable detailed reports, is now planning to dispatch a survey corps to determine the possibility of exploiting the railway areas for coal, the report states.

New Regimes Conferring

Plans Progressing, Nanking Statement Says; Anniversary of "Reformed" Rule Observed

Nanking, Mar. 28.

PLANS for organizing a central government of China were making rapid progress, officials of the "Reformed Government" declared today in a first anniversary statement reviewing the achievements of the Nanking regime during the past year.

Fundamental principles for a new central government had been decided, the statement said. Close co-operation with Japan was declared to be vitally necessary to maintain peace and order and to carry out the industrial and agricultural rehabilitation of China.

The statement recalled that the "Reformed Government" began to function in Central China on October 1, 1938, with Mr. Liang Hung-chih, Chairman of the Executive Yuan, and other officials taking their respective offices in Nanking.

The Nanking administration and local regimes made marked progress during the year with the assistance of the Japanese Government, the statement said.

Tribute to Slain

Tribute was paid to several officials of the "Reformed Government" who were killed by terrorists. These included Mr. Chou Feng-chi, who had been chosen to serve as Pacification Minister; Mr. Chen Loh, Minister of Foreign Affairs; Mr. Huo San, Mayor of Hangchow; Mr. Li Kuo-chieh, one of the founders of the government, and others.

During the hazardous year Mr. Liang and the other officials carried on vigorous efforts to achieve the ultimate objective of the government, the establishment of a new order in East Asia, the statement continued.

Steps were being taken to strengthen administrative organs for a more effective execution of government enterprises, the statement said.

In another official statement the "government" outlined measures being adopted to co-operate with the Japanese army authorities.

Four Military Districts

During the past year, this statement said, four military districts were established at Nanking, Soochow, Hangchow and Peking, and pacification work was undertaken by the "government" with the assistance of the Japanese Army.

Formation of a marine corps also was mentioned in the statement.

The first step taken in educational matters was to reform the primary school system to "uproot the anti-Japanese teachings of the Kuomintang regime," the statement said.

With this end in view provisional educational regulations were promulgated, classes were resumed in primary schools, text-books were compiled and distributed, and primary teachers trained.

During the next fiscal year the "government" plans to establish a Nanking University, open colleges, normal schools and middle schools, prepare text-books for them, promote physical training for the populace, and carry on educational policies for the masses with the aid of moving pictures.

Provincial Administrations

The statement recalled that the "Reformed Government," having decided in May of last year to establish the three provincial administrations of Kiangsi, Anhwei and Chekiang, and the two special municipalities of Nanking and Shanghai, formed the Kiangsi Provincial Government on May 23, the Chekiang Provincial Government on June 20, the Anhwei Provincial Government on July 23, the Nanking Municipal Government on April 24 and the Shanghai Municipal Government on April 28.

With the restoration of peace and order all the districts and towns in the areas under Japanese occupation came under the jurisdiction of the "Reformed Government" in March this year, the statement said.

A training institute for district officials, which was opened in October of last year, graduated about 100 prospective officials in the first class this month, the statement pointed out.

To lighten the people's burdens and improve their welfare and aid the rehabilitation of local industries the "Reformed Government" abolished likin taxes, to offset the decrease in revenue of local self-governing bodies. Due to this action it granted monthly subsidies ranging from \$1,000,000 to \$1,300,000 for four months beginning in February.

The "government" was planning to establish district hospitals in important cities and branch hospitals in other places, the statement concluded.

Four-Point Policy

Nanking, Mar. 28.

Recalling the accomplishments of the "Reformed Government" during the past one year since its establishment, Mr. Liang Hung-chih, Chairman of the Executive Yuan, today outlined a four-point administrative

policy planned to secure the co-operation of all sections of China.

"Established during a complicated situation one year ago, the 'Reformed Government' is determined to secure appreciation of the 'Government' by all sections of the country by means of actual facts and guiding principles," he stated.

"During the past year the 'Reformed Government' has done its utmost to bring about the realization of such programmes as the restoration of peace and order, the relief of refugees, the stabilization of agricultural villages, and the revival of commerce.

Economic Revival Needed

"In order to realize these administrative policies it is necessary from a political point of view first to protect the central government organization; and secondly, to cultivate the resources of individuals and of the entire nation.

"From an economic viewpoint, it is necessary first, to achieve an economic revival by means of co-operation between the government and the people and the promotion of a joint action by Japan and China; and secondly, to co-ordinate the agricultural, the industrial, and other departments by the establishment of an effective policy to rehabilitate the industrial system."—Domei.

Nanking Normal School To Be Founded

Shanghai, Mar. 31.

A state normal school will be established in Nanking by the Ministry of Education of the "Reformed Government" to train educators for the staffs of model primary and middle schools to be opened in each hsein in the three provinces under its jurisdiction, it was reported yesterday.

The normal school will be established by elevating the status of the temporary Teachers' Training School which was opened in Nanking last January.

Primary and middle schools in each hsein are considered necessary in order to train young Chinese to serve as future officials of the government. Sons and daughters of "Reformed Government" officials will be given the first opportunity to enter the schools.

The number of school children in Kiangsu, Chekiang and Anhwei has reached a peak of 100,000, it is said.

Yangtze Army Chief Offers Surrender

Nanking, Apr. 2.

Gen. Li Yen-po, Vice-Commander of the Second Route Army of the Chinese fifth war district, and his 6,000 officers and men have offered to surrender to the Commander of the Japanese garrison at Yanchow on the north bank of the Yangtze opposite Chinkiang, military authorities here declared yesterday.

Armed with 4,500 rifles, 15 machine-guns and a quantity of ammunition, the Chinese forces under Gen. Li have been active in the vicinity of Hwaiyin in northern Kiangsu. Japanese military authorities in Central China decided to notify Gen. Li of their formal acceptance of the surrender.—Domei.

Hongkong Garrison May Be Increased

Hongkong, Mar. 27.

The Hongkong garrison is to be increased by three infantry battalions within the next few years, reliable sources revealed today.

Plans are already afoot for the construction of military cantonments at a total cost of £7,000,000. Only British contracts for the construction work will be accepted. The contractors are required to furnish £160,000 as a guarantee.

Work has already commenced on leveling a Government site at Kowloon and making it safe against malaria.

The additional infantry battalions will not arrive for two or three years which will be required for the completion of the cantonments.—United Press.

Chinese Urged to Leave Employers

Shanghai, Mar. 28.

Spokesmen at the Japanese press conference yesterday, said that they knew nothing of advertisements which had recently appeared in the Nanking "Hsin Pao," one of the two Chinese dailies at present being published in the former capital, in which all Chinese in the employ of foreign firms and Consulates were urged to leave their employers and were informed that they would be the recipients of allowances which would enable them to cover their living expenses. One of the spokesmen, however, said that he would study this report and would try to obtain details as to the origin of these advertisements.

A correspondent asked whether the spokesmen had any reference to anti-British agitation at present being carried on in Nanking and received a reply in the negative.

Many Protests Sent

In referring to the numerous protests that had been despatched to the Japanese authorities by Third Powers in recent times, concerning the continuous bombing on the part of the Japanese air force, of foreign property in the interior, a correspondent asked whether the reports that the Japanese thus wanted to drive out Third Powers interests from China, were correct. A spokesman said that these allegations were malicious and that in recent days only one protest had been received from the United States with regard to the bombing of American property in Ichang but that this protest had not yet been answered as investigations were still proceeding.

"There is not the slightest intention among the Japanese authorities to resort to bombing to drive out the interests of other nations from China. The spokesman added, if the Japanese Government had such intentions, would it have reopened to third-party shipping the main harbour of Tsingtao?"

When the correspondent said that at least four American protests had been despatched since Sunday, the spokesman said that to the best of his knowledge, only one had been received and that it was possible that the others had been sent to Hankow from which city, however, he had heard nothing concerning this matter.

Questioned with regard to the alleged sinking of the Fengyang Maru on March 12, when two Chinese military planes were reported to have attacked three military transports and a Japanese warship between Nanking and Kiukiang, the naval spokesman said that this report was devoid of any truth as there had been no Chinese aerial activity along the Yangtze, within the past few months. He added however that it was possible that Japanese planes, engaged in manoeuvres, may have been seen along the river.

Boycott Advocated

SPECIAL TO THE "N.C.H.M."

Wushu, Mar. 23.

The various steam launch companies are being bought up by the Japanese and incorporated into a single company, with headquarters in Shanghai, under the name of Shanghai Inland Steam Launch Co.

The only remaining daily paper in Wushu is, naturally, pro-Japanese in character, and is now publishing anti-British propaganda, urging the boycott of British goods.

It must, however, be stated that the Japanese are prevailing inside the city. Business continues to recover slowly, but taxes in the city and the high cost of transportation of goods cut down profits very drastically, and the merchants are not too prosperous. The etiquette enforced at the city gates prevents people from coming into the city, unless on urgent business. Guerrillas restrict the amount of rice coming into the city, because doing so will cause a shortage in the country.

Japanese control exists over an area of about five miles in width along the Shanghai-Nanking Railway, on each side of which the country is fully under Chinese control, and no taxes can be levied by the Japanese. The guerrillas, however, keep the country people from feeling neglected in this respect.

Wang Keh-min Flies To Nanking

Peiping, Mar. 24.

Mr. Wang Keh-min, president of the Executive Council of the "Provisional Government" left here at 9.30 o'clock this morning by air for Nanking to attend the fourth session of the Joint Commission of the "Reformed" and "Provisional Governments" in Nanking.

Lieut.-Gen. Seichi Kita, director of the North China Liaison Office of the Asia Development Board, also left for Nanking by aeroplane this morning.—Domei.

General Lauds Achievements

Order Restored in Central China, Says Japanese Commander in Interview; Hard Tasks Ahead

Central China, Mar. 28.

DIFFICULTIES surmounted by the "Reformed Government" during the past year were comparable to "the cultivation of a desert," declared Lieut.-Gen. Otozo Yamada, Commander-in-Chief of the Japanese Expeditionary Force to Central China, in a press interview today.

"Like a phoenix born from the ashes, the 'Reformed Government', which came into being amidst the bustle of hostilities on March 28, 1938, is today celebrating the first anniversary of its foundation," Gen. Yamada said. It is not myself alone, but those Eastern peoples who share the heavy burden of responsibility in establishing a new order in East Asia, who should be congratulated on this occasion.

"Fortunately, the Chinese people of new-born Central China, appreciating their heaven-sent mission to form a tri-partite co-operative body consisting of Japan, Manchoukuo and China, are making steady progress in supporting a healthy development of the 'Reformed Government.' We cannot but hope that this sacred work will be brought to its fullest accomplishment.

"At the time of the 'Reformed Government's' foundation, only a short time after the fall of Nanking, it is not too much to say that Central China was almost dead in respect to communication, industrial and cultural activities. All governmental functions were at a standstill and the populace was in a suffocated condition.

"Due to the pro-Communist and anti-Japanese Chiang Kai-shek régime, the Chinese masses had nothing to rely upon, no shelter to live in, and no food. Thus, millions of people were cursing the 'scorched earth' policies of the Chiang régime, which thought nothing of sacrificing the welfare of the people. Wandering about in war-scarred areas, their dismal plight could not be ignored.

"Therefore, relief of refugees after the hostilities, and a reorganization of the situation was an extremely urgent necessity which could not be neglected even for a moment. It was only natural that at such a time an overwhelming voice should be raised for the establishment of a new administration among those unhappy people who had lost their leaders.

"The course pursued by the 'Reformed Government' during the past year has bristled with all manner of difficulties. Considering the results so far achieved by the Government, we cannot help but be moved by its exploits.

"Though peace and order have been restored, all kinds of business revived, and the dawn of a new East Asia has been witnessed under the administration of the 'Reformed Government,' yet the military forces of the Kuomintang and Communist elements, boasting that they would win a final victory and dreaming of the effectiveness of a 'far friend and near enemy' policy are disturbing the peace of East Asia, while maintaining a feeble existence in seven interior provinces.

"Suffering disastrous defeats, the Chiang Kai-shek régime is no match for the Japanese. As we think of the innocent people suffering under the tyrannical Nationalist Government, we keenly feel that we still have a long stretch of our sacred campaign ahead of us.

"Moreover, in view of the ominous clouds in Central Europe and the existence of pro-Chiang Kai-shek third Powers who are contemplating activities in the Far East based on their selfish calculations, regarding the establishment of a new order in East Asia as disadvantageous to them, there is no prophesying what direction international affairs may take in the future.

"It should indeed be the iron rule of the Japanese nation under the circumstances not to be drunk with victories, but in all soberness to effect nation-wide co-operation to bring about a full realization of spiritual and material strength of the nation, and to strive harder to accomplish the objectives of this sacred campaign.

"The objectives of this campaign are, needless to say, the establishment of a new order in East Asia, which is a step toward securing peace for the world; and the formation of a tri-partite co-operative body of Japan, Manchoukuo and China.

"Nothing but following the way that leads to this goal forms the responsibility imposed by fate upon the peoples of East Asia, which are of one and the same nature in their geographical, historical, and cultural characteristics."—Domei.

Peiping Regime Members Leave for Nanking

Peiping, Mar. 28.

Three members of the "Provisional Government" today left for Nanking to participate in the United Council of the "Provisional" and "Reformed Governments."—Reuter.

Nanking Refuses to Recognize Loans

Nanking, Mar. 30.

Repudiation of all loans and credits extended by foreign Powers to the régime of Gen. Chiang Kai-shek, "without exception," was reiterated here by the "Reformed" and "Provisional Governments" of China in a declaration by the joint committee of the new administrations which met for the fourth time today.

The Peiping and Nanking governments announced that they would be "unable" to respect the vested rights and interests of the Powers assisting the Chungking régime, as such action was "detrimental to the restoration of peace" in China. The "friendly spirit" shown by the "Reformed" and "Provisional" administrations towards third party Powers at the time of the establishment of the new régimes would have to be "disregarded" in view of the attitude taken by certain nations, the declaration said.

"Obstructing Peace"

"At this time when the régime of Gen. Chiang Kai-shek is on the verge of collapse, the British Government has granted it a loan of £10,000,000," the statement said.

"The real intention behind that action is to obstruct the restoration of peace in East Asia and it is tantamount to a complete disregard of the immense sacrifices made by the people of China in the hostilities.

"As declared at the time of the establishment of both Governments, all loans in currency or in kind to the régime of Gen. Chiang Kai-shek will not be recognized. This was already reiterated at the time of the establishment of this joint committee last September," the declaration said.

The statement recalled that when the joint committee was formed, telegrams were despatched to various European and American Powers warning them that unless they ceased providing the régime of Gen. Chiang with funds and provisions they would be regarded the "public enemies" of China.

"China Sacrificed"

"Fearing that the establishment of peace in East Asia might be disadvantageous to them," the statement charged, various Powers favouring the régime of Gen. Chiang had "sacrificed China" by resorting to the use of "cat's paw" tactics in repeatedly agreeing to large loans.

This attitude of certain Powers, the statement declared, was causing "indignation and abhorrence" among the Chinese people, who see in the line of action being followed by some nations the intention of doing them harm.—Domei.

Peiping Train Leaves For Pukow

Peiping, Apr. 1.

Forging a direct rail link between the two capitals of China's new régimes, the first through train for Pukow left here at 7.55 o'clock this morning. It is due at the city opposite Nanking on the Yangtze tomorrow evening. With Chinese, Japanese and foreign newspapermen included among its passengers, the train, which includes sleeping cars, a dining car and ordinary coaches, was seen off by a large group of people at Chenyangmen station.—Domei.

Civil Air Field for Tientsin

Peiping, Mar. 31.

The Reconstruction Administration of the "Provisional Government" has authorized two Japanese building contractors to construct a new aerodrome at Changkuochwang, on the Peiping-Mukden railway, east of Tientsin, reports the Chinese press. Work has already been started for levelling the ground.

The Administration contemplates spending \$6,000,000 on the project, which, it is stated, is designed for the promotion of civil aviation. Reuter.

NEWS FROM THE INTERIOR (continued)

White Elephant of Amoy

Japanese Attempt to Oust Recognized Quarantine and Supplement Revenue

SPECIAL TO THE "N.C.H.N."

Kulangsu, Mar. 18.

Amoy since its capture has proved to be a monstrous white elephant, but the Japanese still try to get milk from the pachyderm, continue to squeeze the few indigent people who are unable to help themselves or leave. They draw rent from property they have confiscated; they impose taxes in addition to the rent; they started a lottery, in which, by the by, no-one but Japanese ever won prizes; businesses and residents are registered and must pay for the honour of registration. All this, however, has been a vast failure to procure revenue to meet current expenses.

The chief Chinese officers that composed Amoy's puppet civil government cleared out without notice some time ago to various unknown places, scattering like scared birds in flight, and left the Japanese dictators who governed each bureau to fend for themselves. The Chinese head of the city, appointed soon after the Japanese came, twice resigned from his unlovely sinecure, but his resignation was refused each time. He was made to understand that a third resignation might mean him holding an early morning levee before a Japanese firing squad, and as he had no desire to hold such an honourable official reception, he thought that a change of air to his native village would benefit greatly his health. He decamped to the home of his fathers in Hongkong and Poochow. His colleagues thought exactly as he and vanished.

One week ago Amoy had a brilliant display of gilded uniforms and authority, changing the old flag to a new five-barred one and investing in office new Chinese civic officers who had consented to hold these servile and thankless posts. The name of the new Chairman appointed is Mr. Li Soo hian. He is a native of Kwangtung and was formerly a lawyer practicing in Amoy courts. He went to Hongkong when the Japanese came, but returned several months ago after the exodus of the former Chinese puppets and was appointed Chief Justice. His ardour and zeal have, evidently, won him favour in Japanese eyes and secured him the honourable but dangerous position of civic head of the town.

\$2 for Five-barred Flag

All sampans plying across the harbour, all households and business firms must purchase this new flag—\$2 for each strip of bunting—and fly it to show their gratitude to the conquerors who have loved and given them so many benefits in trade, which are nil and in protection less. The Japanese authorities have always looked with envious, covetous eyes upon the Amoy Quarantine Service. They think that that service is reaping a golden harvest which should be Japanese. The Japanese have tried many plans and ways to take over the service which continues to function from Kulangsu, but they have been unable to do so to the present.

Some time ago they ordered the whole Quarantine "bait or tricks" to remove to their old quarters in Amoy, but one and all of the personnel resigned rather than go and this made it necessary for the Japanese to organize a quarantine service of their own which they were not prepared to do. Every member of the quarantine service was called, one by one friendly-like, to the Japanese Consulate, to talk the matter over. They were first cajoled and then threatened if they did not obey the dictators and cross to Amoy. One and all held out, obdurate both to cajolery and threats, so the service continued to function at Kulangsu. The great difficulty of the Japanese is to get revenue. All plans hitherto tried have failed. Expenditure mounts, but revenue from a dead and desolate corpse cannot be procured.

Some genius, however, conceived the idea of a re-vaccination scheme; the last vaccination was a golden success: multitudes of 20-cent pieces fell clinking into Japanese coffers. A successful trick, such as this, cannot be repeated too often, especially if it be disguised with the title of public health. Every person who now crosses the harbour to visit that civic corpse, Amoy, "st not only bow and raise his hat to honour military authority, but must submit to a Japanese needle and pay 20 cents for the pleasure. Those who have no money, or who are reluctant to submit their arms to the blunt needlessness of Japanese medical amateurs are promptly thrust back to their haven of refuge, Kulangsu. All

who go also from Amoy to Kulangsu must endure a similar twinge and smilingly pay a similar amount.

Letter of Protest

This new step in autocracy has raised the ire of the Amoy Quarantine Service whose domain has been infringed and whose injections, given free, are ignored and flouted, so the following letter of remonstrance was recently sent to the Japanese Consul by the Medical Officer of the Kulangsu Municipal Council:—

The Amoy Quarantine Service, composed of official and experienced quarantine officers under the direction of the Medical Officer of Health for the International Settlement of Kulangsu, has formally undertaken the responsibility of protecting the port of Amoy from the danger of epidemic disease. In face of considerable difficulty the regular quarantine service has been maintained and the Service can point with pride to the fact that the port of Amoy has remained free of infectious diseases under very abnormal and dangerous conditions and constant threat from outside.

All the while the Service has shown the utmost willingness to co-operate with the Japanese Authorities in all matters pertaining to the public health. It has placed itself under the control of the Maritime Customs which, in turn, has accepted Japanese naval control. All the while the Service has the full knowledge and permission of the Japanese authorities.

Today, (March 16) without previous notice this office, which is the official Public Health Office in Kulangsu, the Japanese authorities suddenly insisted on all persons entering Amoy being vaccinated. Persons carrying official quarantine service certificates of vaccination, including the official members of the Quarantine Service, had not only their vaccination certificates, but also their passports and identification papers rudely snatched out of their hands and not returned to them until they submitted to re-vaccination although they could show the marks of vaccination performed in this office half an hour previously.

There is no mailbox in Kulangsu and all arrivals from elsewhere are carefully inspected for vaccination by the quarantine officers on arrival. Further quarantine service certificates of vaccination are accepted and respected by every health authority in the East. In view of the above facts the action of the Japanese authorities amounts to a deliberate insult to an official and internationally-recognized service which has loyally and efficiently served the port. It has occasioned surprise and indignation among the Japanese and Japanese authorities prefer not to acknowledge the existence and work of the quarantine service. The Japanese authorities have always been ready at any time to devolve all quarantine responsibility upon the Japanese health services on demand and now request to be informed at your earliest convenience if the recent action of the Japanese means they have no confidence in the work of or use for the quarantine service in which case the Amoy quarantine service will formally cease to function immediately.

Network of Highways in North-west China

Chungking, Mar. 30.

The Chinese authorities, according to Chinese reports, are constantly improving communication facilities between Szechuen and other provinces. In addition to the new air-lines connecting Chungking with Soviet Russia, Indo-China and Burma, the Chinese authorities are also stated to be constructing several new highways. A new highway connecting Szechuen and Sikong provinces will be completed by the end of this year.

Recent arrivals here from Shensi, who travelled over the Shensi-Szechuen highway, say that it took them only five days to drive from Fokio Chengtu, in spite of the fact that the road winds its way through mountain ranges averaging 6,000 feet. All the bridges, it is reported are able to carry seven ton trucks.

Traffic on the new Shensi-Szechuen highway, the only land route connecting China's north-west and south-west provinces, is heavy. A constant flow of motor-cars, trucks, buses, mule carts and even rickshaws travel over it.—Reuter.

Peiping Bans Mixed Bathing In Bath-Houses

Peiping, Apr. 2.

With the approval of the municipal administration, the Bureau of Social Welfare has issued an order prohibiting mixed bathing in bath-houses.

The purpose of the ban, says the order, is to uphold morality and do away with undesirable habits.

The Bureau issued the order upon receiving a report that a woman who went to a public bath-house with a man fell unconscious before she finished bathing while the man disappeared before discovery of the case.—Reuter.

Strain of War on

Missionaries

FROM OUR OWN CORRESPONDENT

Slangtan, Hu, Mar. 16.

The Slangtan Mayor has raised sufficient funds among the merchants and gentry to begin the Slangtan County Hospital. They have gotten a large private building very cheaply, and expect to repair it for in-patients and have a dispensary and clinic on the main street. The goal at present is to raise at least \$10,000. The Mayor and those interested in the scheme were very anxious to have the Slangtan Presbyterian Hospital co-operate. The new superintendent did not see how organizational co-operation could help much, but promised to co-operate in professional ways, or by taking any cases into the Presbyterian Hospital.

Dr. and Mrs. Sun who came to the Presbyterian Hospital recently have made a very splendid impression. Both are good doctors and supplement each other in a very wonderful way. The staff is being built up. The kitchens are being overhauled and the whole institution is feeling their professional touch. As soon as possible an X-ray is to be introduced as well as other necessary equipment to make the hospital modern and efficient.

Strain on Missionaries

The Rev. A. H. Birkel and Dr. George T. Toetel visited Slangtan recently. The former has been advised by physicians to leave the province for at least three months for further treatment and rest. The strain of the Changsha fire and the aftermath of refusal help had been a great strain on many foreigners. Dr. Eitel of the C.I.M. Hospital, Changsha, was ordered to take six months complete rest, on account of a bad heart, and he and Mrs. Eitel have gone to Switzerland. The Bishop of the Roman Catholic Mission Changsha died of acute heart trouble soon after the fire. Now one hears that a missionary has been killed by bombs in Pingking, Hunan. The constant strain of war and rumours of war must have an effect on the strongest constitutions. Miss Vasek of the C.I.M. School for the blind died after a short illness. The bombing near the school left her very nervous.

English Missionary Killed

Spring rains have brought the river up to almost flood stage, and every one seems to feel that this may be the turn in the tide of battle as well. Since the many days of rain, no alarms have come and no serious bombings have been reported within the borders of the province. Today there was an alarm, and the Chinese papers reported that yesterday's bombing was at Pingking and that an English Wesleyan missionary was killed.

There are many movements of troops. Four boat bridges are to be constructed across the Siang-river soon. They are expensive for all the boat people must have their rice paid, as well as something for the use of boats which is not much. When the river began to rise rapidly some days ago the bridges were dismantled and the boats allowed to leave.

These boat people have been held up for months, and must have suffered great loss. The Chief Engineer of the Hunan-Kweichow Railway made a trip to Chungking recently, went by aeroplane to Kweilin and thence by train to Hengyang and Slangtan. The reports that the Hunan-Kweichow line will stop building operations from this end and begin to survey from Kweilin to Liuchow and from there to Kweiyang, seems to have been decided, and a large part of the staff now resident in Slangtan will move to other places soon. Train service from Slangtan to Loai will continue as before, while traffic on this completed section is improving all the time and freight increases daily. Good coal continues to come over the road and is sold cheaper here than other coal. It seems a pity that the line cannot be completed now to Sin-hwa so that the antimony could be transported by rail instead of by river. It might not be much cheaper but would be quicker.

The Report of the International Relief Committee of Changsha to the end of December 1938, covers a considerable amount of very fine spirit and relief work. There are no overhead expenses nor paid staff. Relief work was done through three sub-committees, medical, social-service and occupational relief. Bath houses or stations were maintained, nearly 4,000 bathing tickets being distributed. Bean-milk was made and distributed to many sick and babies. Bedding and clothing were provided for several thousand refugees. After the Changsha fire the work of the committee was turning almost wholly to relief work for these refugees. The Government supplied \$100,000 specially for rehabilitation and self support. Three refugee camps were provided, three soup kitchens, three

Diamond Wedding

Celebrated

Shanghai, Mar. 30.

The announcement of the diamond wedding of Mr. and Mrs. George Piercy will recall to the memories of many old residents of Hongkong and also old scholars of the Hongkong Diocesan School a highly esteemed couple whose name was a household word for 40 years and has been perpetuated here. The Diocesan Boys' School in Bonham Road, Hongkong, was the centre from which Mr. and Mrs. Piercy wielded a beneficent influence which has left its mark on several hundreds of boys, many of whom have since become distinguished members of the community, writes a Hongkong correspondent.

It was in the summer of 1877 that Mr. George Piercy, 3rd Master of the Government Central School, was appointed by the unanimous vote of the Committee of the Diocesan Boys' School as Headmaster in succession to Mr. L. M. D. Arthur. Mr. Piercy's appointment was "subject to the condition that he should marry within the next six months," and as will be seen from the wedding announcement he duly carried out that condition on April 1, 1878. Mrs. Piercy acted as Matron of the School for 30 years and after her resignation in 1909 she retained a lively interest in the School and its past pupils. In 1917 Mr. Piercy resigned his appointment, with effect from May 1918, and in accepting the resignation with sincere regret the Committee minuted as follows:—

Mr. Piercy has been chiefly responsible for the School attaining the position which it now holds in the Colony, and by his teaching and example has exercised a tremendous influence for good on the hundreds of boys who have been at the School during the period of nearly 40 years during which he has been Headmaster, which has also been a period of brilliant successes in examinations.

As a mark of appreciation for Mr. Piercy's headmastership, Old Boys and friends of the School raised a fund of \$3,000 to endow two scholarships known as the "Piercy Scholarships," which are awarded annually.

Retirement In Victoria

Mr. Piercy was also a prominent figure in Masonic Circles and held various offices in the District Grand Lodge as well as being Master of Zetland Lodge.

On leaving the Colony, Mr. and Mrs. Piercy took up residence in Victoria, B. C. Mr. Piercy has been handicapped by lameness but Mrs. Piercy still applies her energy to church and social work as she did in connection with St. John's Cathedral while resident in Hongkong.

Mr. and Mrs. Piercy have four sons and one daughter, and three sons have been connected with Messrs. Jardine, Matheson & Co., Ltd. Mr. Arthur and Mr. Harold Piercy, both well known locally, expect to be in Victoria today to join in the diamond wedding celebration of their parents. The felicitations of many Hongkong friends will go out to Mr. and Mrs. Piercy on this happy occasion, and a cable message of congratulations is being despatched by the Hongkong Diocesan Boys School Old Boys' Association.

Fire Does Big Damage In Kunming

Hongkong, Mar. 30.

Fire that destroyed a large number of buildings in Kunming, Yunnan province, last Friday caused damage totalling about \$10,000,000, according to a belated report received here today.

The blaze started at 3 o'clock in the afternoon and continued for eight hours. It broke out on Paoshan Street, the main thoroughfare of the city, and was not controlled until 8 o'clock at night. The origin of the blaze has not been disclosed.—Domei.

primary day schools and many other temporary forms of relief were ministered to many people.

Rebuilding Slow Process

More permanent relief has been made in the form of grants and loans for starting local factories, and some of the forms of employment relief have been soap-making, spinning and weaving, shoemaking and sandal-making. Grants have also been made for Changsha refugees outside of Changsha.

The rebuilding of Changsha must be a long slow process, the work of years. At present thousands of improvised shacks and stalls are being erected and the life and business of tens of thousands is reduced to the most cruel level of hardship—in face of these facts the committee funds are totally inadequate to meet the need.

Changsha the capital of Hunan, once a prosperous city of 300,000 people is now a city of shacks, but with thousands returning to take up again their life in the city much relief work is still needed.

Aeroplanes Bomb

Chekiang Coast

FROM OUR OWN CORRESPONDENT

Wenchow, Mar. 22.

This city received its first taste of bombing on March 20, planes flying from a carrier lying off the coast. Four machines came in the morning and, after cruising over the city for some time, dropped eight bombs near a saw mill situated about a mile from the city and surrounded on three sides by fields, with the river on the fourth side. Two bombs fell in the mill killing three persons and wounding two.

In the afternoon two planes returned and flew over the city for 30 minutes at a very low altitude, paying special attention to the river-side. Finally they dropped bombs in the city itself, the being the first time that such a thing occurred. The Yamen buildings were aimed at, and two bombs fell inside, killing three and wounding two persons. These were either clerks or attendants. Although an official meeting was in progress at the time, no officials were struck, but two mis-directed bombs fell into the neighbouring prison wounding eleven prisoners and a warder. The wounded prisoners whose time was nearly complete were allowed to have their freedom, the rest have been removed inland.

Two Killed In Launch

The local government has also moved into the country, so there is little chance of getting them a second time. The most unfortunate attack of all occurred in the afternoon when Julian was visited and the launch ferry came in for attack by machine-gun. The boat contained as usual civilian countrymen from whose death or injury nothing was to be gained; and yet two were killed and two injured.

The raid cannot be said to have been a large one. Moreover, within the city, there was no indiscriminate bombing. Yet one wonders about the ethics of bombing an inoffensive, unarmed country town where civilians are certain to be injured and where the damage created can cause no iota of difference to the course of the war. Now, as usually happens, the well-to-do who have some influence in affairs will leave the city, or those who cannot leave will enslave themselves beneath concrete. Those who remain to be terrorized will be the poor classes whose opinion about the war and the government is not asked. It is perfectly useless for China to try and influence the authorities by attacking the lower orders. Since the bombing there has been a big evacuation, but the trade of the city does not seem to have been arrested. The foreign population still remains, pending further developments.

Scorched Earth Policy

Although the city contains no military equipment, nor anything that might be described as a bombing objective, and is given over entirely to residential and trading purposes, yet arrangements have been made for dealing with a possible Japanese invasion. If they come here parts of the city will be burned. All officials and governmental organizations will move out. Also the old picturesque wall which has hitherto been such a charming landmark, has been pulled down, specially to the west where nothing has been left standing of the massive masonry. This is to facilitate entry by guerrillas should the city be occupied by them. There are rumours in all directions which would presumably be held by the irregulars and from which they would make their raids on the river plain.

The future is unpredictable. Repeated naval bombardments of Haimen to the North have raised the question of a landing on the Chekiang coast, but the general feeling seems to be that the Japanese have insufficient troops for such an extensive campaign in difficult territory. If their intention therefore is simply to disturb the civil population, they will find that this cruel and callous method of warfare will bring them negligible advantages, and may end to harden the hearts of any section in the community who would like to see peace concluded.

Bodyguard Commander Killed By Motor Car

Peiping, Apr. 2.

Colonel Tien Chin, Commander of the Chungan Hai Park bodyguard corps, has died of injuries sustained in a motor-car accident.

He was knocked down by a motor-car at Fuyueh, west of the former Presidential Palace, and was sent to hospital, but succumbed to his injuries shortly afterwards. Colonel Tien was 46 years of age and a native of Peiping.—Reuter.

Use of Tsingtao Wharves

Third-Party Vessels May Enter Inner Harbour ;
Yangtze Registration Plans ; Conditions at Hankow

Shanghai, Mar. 29.

THE recent proclamation of the Japanese naval authorities in Tsingtao, re-opening the port to shipping of third party Powers, has been put into effect and ships may now enter the inner harbour and use their wharves there. The "North-China Daily News" was informed by an official of a local British shipping firm yesterday that one of his company's vessels had already discharged her cargo without hitch at the wharves inside the inner harbour. Prior to the publication of the proclamation all foreign shipping was obliged to discharge cargo in the outer harbour. Before being allowed to discharge cargo at the wharves, however, all foreign ships must notify the Japanese Special Naval Mission at Tsingtao, some days before arrival at the port, of the nature of the cargo and the total contents.

Reports that, following the opening of Tsingtao to foreign shipping, the Japanese were contemplating the resumption of third party shipping along the Yangtze, were discredited yesterday by a British shipping official, who stated that negotiations between the Japanese authorities and representatives of third party Powers were still deadlocked.

Registration Questions

It was reported yesterday that the Japanese authorities had insisted upon the registration under them of all third party vessels using the Yangtze. This, it was stated, would cause a serious divergence of opinions, a problem which the negotiators representing third party Powers were trying to solve. The registration of foreign shipping, if carried out would virtually bring all vessels using the river under official Japanese control.

Although no information was given in the reports as to how the registration would be carried out, it was learnt that one of the conditions would be that the Japanese authorities would require all foreign steamers to hoist the Japanese flag from Kiangyin upwards. This was stated to be the thorny point of the discussions and that an agreement would have to be reached before the river was opened.

Search Parties

Other questions, the reports added, could be settled more easily, although it was felt that a clause allowing Japanese naval and military parties to search foreign vessels would raise some objections. Shipping circles questioned yesterday about the reports stated that they saw many difficulties ahead if the river were to be opened under the reported Japanese conditions. Many firms, they stated, would hesitate before shipping cargo from the interior to Shanghai in view of the unsettled political state of the country.

Lending weight to the argument that it would be impossible to resume the Yangtze shipping in the near future, was a written report from Hankow which was shown to a reporter yesterday by a local shipping official. The report, dated March 15, stated that the properties of Shanghai firms in Hankow had been inspected last week but it had been found that the Japanese were using the godowns for storage purposes and that naval parties were accommodated in various buildings.

Hankow Conditions

The report also revealed that although the Japanese were still occupying the pontoons they had commandeered, foreigners were not permitted to go there. Further, it was stated that by placing buoys on the river side of the pontoons the Japanese had effectively prevented foreign ships from berthing alongside. It was even stated that it had become dangerous to attempt to enter any of the foreign-owned properties. Recent Chinese reports indicated that fighting along the coastal districts of Chekiang and Kiangsu had rendered it more difficult for shipping interests to do business in these areas. Japanese vessels, however, continue to ply between Japan, Shanghai and Yangtze ports carrying large quantities of cargo.

Tsingtao Reopening Welcomed

London, Mar. 28.

The reopening of Tsingtao is generally welcomed in London. For Eastern circles, Japanese circles emphasize it as first fruits of the steady efforts by the moderate elements in Japan to relax the rigid policy of the extremists.

They hope it will be accepted as a genuine effort on the part of Japan to satisfy the grievances of third parties, foreshadowing further similar concessions.—Reuter.

SEVERAL Japanese sentries were killed and one army plane lying on the ground damaged following a sally staged by Chinese guerrillas upon the Japanese army aerodrome at Tazang on the night of March 29, says the "Shun Pao."

F.R.B. Currency in North China

SPECIAL TO THE "N.C.D.N."

Tientsin, Mar. 24.

The recent announcement of the Japanese Minister of Finance to the Budget Committee of the Diet that the yen will have to be inflated has made the financial edicts of the "Provisional Government" of North China, which had announced that the Federal Reserve Bank dollar would be fixed at $\frac{1}{2}$ d., look rather silly. The financial confusion now reigning in North China with its consequent disastrous effects on import and export business, is a striking proof of the truth of the saying "shoemaker stick to your last." The idea of introducing a new currency in North China originated in Army circles, against the strongest advice of the financiers in Japan. Yet the cut-throat military gentlemen would have raised, if the bankers in Japan had attempted to dictate their military strategy in the China campaign.

Four Different Objectives

At a first superficial glance the idea of introducing a perfectly new currency in North China appeared to be a brilliant piece of financial strategy. It looked as if, with one stroke of the pen, four quite different objectives could be attained:—

Smash the Chinese national currency, thus inflicting on the Government of Chiang Kai-shek a mortal blow, politically and financially.

Help to pay for the war by issuing paper money of no value for which the Chinese have to pay with goods. Introduce the thin end of the wedge in bringing China into the yen bloc. By means of the exports of North China provide the Army with the foreign exchange which they are in such desperate need of.

It will at once strike even the less financially-minded person that some of these objects must cancel each other out. More serious still, is the fact that the military supporters of the scheme failed apparently to take account of the various reasons they were bound to encounter. It was easy enough to foresee that they would be able to force the new currency on a conquered people, but after that they would appear to have mixed up fighting and finance and have believed that they could also give this new money real actual value by means of the bayonet. That, at least, is the only explanation of the extraordinary policy they have been pursuing.

Had the Federal Reserve Bank been supported by the Chinese public and had it thus managed to build up a strong reserve, the new currency might possibly have worked satisfactorily. But this did not happen, and the only support the new bank got was the somewhat vague guarantee by a group of Japanese banks for an unimportant amount. In actual fact, therefore, the Federal Reserve Bank was only camouflage; and what has really happened is that Japan has been flooding North China with a kind of yen note, only under another name. This is so, as is proved by the fact that, quite early in the proceedings, the Japanese banks were forced to refuse the free exchange of F.R.B. notes and yen for any large amounts. A completely free exchange would have meant the weakening of the yen in Japan. On the other hand, to establish the yen bloc, a free exchange of these two currencies is necessary. In fact, they have so far failed in one of their four objects.

Wicked Foreign Banks

A great deal of noise has been made by the Japanese military about the wickedness of the foreign exchange banks in North China in refusing to sell foreign exchange against Federal Reserve notes. It has even been claimed that this is the sole reason why these notes have so far failed to attain their correct value; that is the value the Japanese Army thinks they ought to have. There might have been some foundation for the complaint, if they had fixed the new currency at the same rate as the National currency of China. This, of course, they could not do, with the official rate of the yen at $\frac{1}{2}$ d., because they would then have been linking the new currency with the old currency of China and with the yen. The Federal Reserve Bank dollar was therefore fixed at $\frac{1}{2}$ d.

But exporters from North China who had been buying their produce with an 8d. dollar, could obviously not hope to compete in the world market, if forced to buy at a $\frac{1}{2}$ d. dollar. As a result, the export trade is at a standstill; the Japanese Army is not getting its surplus of foreign exchange after all, and another of their objects has proved a failure. At almost looks as if Japanese are now on the horns of a dilemma. Edicts or no edicts, the Federal Reserve Bank note must follow the yen in its downward course. To keep it pegged to the yen and restrict free exchange between the two currencies means the stoppage of the import as well as the export business. To allow unrestricted exchange would mean a further weakening of the yen.

Match Monopoly for China Formed

Peiping, Mar. 30.

Eighty-five Chinese and eleven Japanese match factories have joined the "National Match Corporation" which will be inaugurated in Tientsin in April, according to Chinese reports.

The Corporation, when established, will become the sole controlling organ for the sale of matches in places under the jurisdiction of the "Provisional" and "Reformed" governments.

With a head office in the Japanese Concession in Tientsin, the Corporation will have branches in Peiping, Shanghai and other big cities.

Match factories which are members of the Corporation will not be allowed to do their business separately. All prices will be standardized by the Corporation. It is estimated that the yearly production of matches will be 1,500,000 cases, 60 per cent. of which to be produced by Chinese factories and the remaining 40 per cent. by Japanese factories.—Reuter.

Chinese Machine Back From Hami

Chungking, Apr. 2.

When interviewed by Reuter today, Mr. Lin Chin-ai, the Chinese pilot of the Chinese-Soviet air-liner Lanchow, which has just completed an inaugural flight to Hami and back—declared that weather conditions were good throughout the journey.

Three high mountain ranges, he said, had to be crossed: the Lupan-shan range, between Sian and Lanchow, the Wusioing, between Lanchow and Liangchow, and the Tasuehshan (the Great Snow Mountain) between Liangchow and Su-chow.

The plane, he declared, had to fly at a height of over 13,000 feet as the ranges are all over 12,000 feet.

The Soviet section of the air route, between Alamutu and Hami, has not yet been inaugurated as the air-field at Urumuchi is still covered with snow. The Russian Ambassador to China, M. Luganet-Sorelsky, who left Chungking on March 26 in a special plane for Moscow, is understood, however, to have successfully made the trip via Urumuchi.

The Soviet section of the air-line, it is stated, will have stations at Alamutu, Tachen, Urumuchi and Hami.—Reuter.

Tourists Encouraged to Visit Far East

Peiping, Mar. 30.

A communication network between Japan, North China, Manchoukio, Korea and Formosa will be formed in April, according to an announcement by the North China Railway Bureau.

Through negotiations between the Bureau and the Japanese Ministry of Railways, the Nippon Yusen Kaisha, the Korean Railway Bureau and the Manchoukio Railway Bureau, seasonal sight-seeing tickets will be sold from April 1 at all leading stations and tourist bureaux in the five territories concerned.

Through tickets, enabling holders to visit the scenic spots of these territories, will be sold at 20 to 40 per cent. discount compared with single trip tickets. The new arrangement, it is reported, aims at encouraging foreign tourists to visit the Far East.—Reuter.

Chinese Remnants in Hainan Attacked

With the Japanese forces on Hainan Island, Mar. 3:—

Assisted by army aircraft, Japanese forces began an attack early this morning on remnants of the Chinese defenders of the island deployed west of the Namtu River in the eastern part of Hainan Island.

Leaving their base at Tingan, south of Kiangchow, yesterday, the Japanese column advanced to the Namtu River where they are engaging Chinese troops under the command of Gen. Wang Yi.—Domei.

Local Taxes Banned

Peiping, Mar. 30.

In response to a petition submitted by the local Ministry of the Interior, the "Provisional Government" has issued an order prohibiting provincial and local authorities from imposing miscellaneous taxes other than those it has sanctioned.

Punishment of provincial and municipal officials who disregard the order is threatened.—Reuter.

Memorial Service for Dr. Peter C. Kiang

FROM OUR OWN CORRESPONDENT

Tientsin, Mar. 20.

On March 18 a service in Memory of the late Dr. Peter C. Kiang was held in the Medical School Assembly Hall of Cheeloo University, Tientsin. Although a large proportion of the staff and students of the University are now in Chengtu, a considerable number of Dr. Kiang's associates gathered to honour his memory. The service was conducted by Dr. R. T. Shields, Dean of Medicine, assisted by Pastor Chang Shou-shan of the Church of Christ in China, Dr. Stanley, Dean of Theology, and Dr. Yu Chia-chun, who gave the commemorative address.

Dr. Kiang had been unwell for some time, but it was during the late autumn of last year that signs of high blood pressure and other serious troubles became manifest. He passed away on January 28 in his 55th year. On account of the difficulty of communicating with his children, who are now scattered, the memorial service was postponed till last Saturday.

After studies in America, Dr. Kiang returned to his native province and commenced work in a mission hospital in Anking. Doctors trained in Western medicine were scarce, so it was not long before the Provincial Government invited Dr. Kiang to co-operate with them, specially in their police bureau.

Professor of Biochemistry

In 1918, not long after the medical schools of Nanking, Hankow and Tientsin had amalgamated to form the Cheeloo Medical School, Dr. Kiang was invited to Tientsin to teach biochemistry and Pharmacology. From that time until his death he was a loyal member of the Cheeloo University staff, rendering fine service in many capacities. In 1922 he was appointed Professor of Biochemistry. From 1934 till 1937 Dr. Kiang was Dean of Medicine.

It is chiefly in connection with biochemistry that Dr. Kiang's name will be remembered. He studied this subject both in America and during a post-graduate course in England, he also, more recently, attended a conference on biochemistry in Moscow.

The translation of medical books came within Dr. Kiang's scope and for many years he was one of the council on Medical Publications, besides being an active member of the China Medical Association.

As a colleague he was kind, courteous and co-operative; as a teacher he was much respected. His wide experience and cautious judgment made him a man whose opinion was worth having and his associates and friends will miss his helpful advice. Over 300 Chinese doctors have come under his care and they are his most lasting memorial.

In the passing of Dr. Peter Kiang, Cheeloo has lost not only one who has served her many years, but also one of the most honoured and most loyal members of her staff.

Shansi Trade Profits For Rehabilitation

Taiyuan, Mar. 31.

Part of the Y.127,000 net profit earned last year by 21 factories and coal mines which are being operated under Japanese military custody in Shansi province will be distributed among civilian trustees who are managing them, it was revealed here today.

Consisting of spinning and flour mills, tobacco, match, and cement manufacturing plants, and coal mines, these industries are a part of 46 factories and enterprises in Shansi province which are being rehabilitated under the supervision of the Japanese military.

Trustees of these industries have invested a total capital of Y.5,000,000 in rehabilitation works in Shansi industry. The incomes from these military-controlled enterprises have been deposited in the local branch of the Bank of Chosen and will be used for further rehabilitation works by the Japanese military authorities.—Domei.

East Asia Club Opened

In Nanking

Shanghai, Apr. 2.

With 600 Chinese and Japanese participating, a new centre of social life in Nanking, the East Asia Club, was formally opened at the site of the former Nationalist Foreign Office on Chungan Road. In Nanking yesterday, the "Taikoku Shimpo" reported.

The "Reformed Government" Foreign Office which was housed in the building has removed to the former site of the Education Ministry, the daily stated.

Comprising an executive board of five directors, the East Asia Club will have a Chinese chairman and a Japanese vice-chairman, the journal added.

NEWS FROM JAPAN

Mobilization Law in Japan

Further Drastic Restrictions Imposed On Industry; Prices to Be Regulated

Tokyo, Mar. 30.

ECONOMIC repercussions of the Sino-Japanese War will result in the imposition of additional drastic restrictions upon Japanese industry tomorrow when Imperial ordinances will be issued invoking Articles 6 and 22 of the National Mobilization Act. Article 6, which will become effective on April 20, provides for restrictions on the employment of skilled labour in an effort to prevent a rush for skilled workers. Article 22 calls for compulsory training of juvenile workers by certain designated factories employing more than 200 workers. The factories must be responsible for the technical and moral training of young workers between the ages of fourteen and seventeen. The training period will be for three years after the Article becomes effective on April 5.

Article II of the National Mobilization Act will become effective on Saturday, restricting the dividends of Japanese business corporations. Those which have been paying high dividends will be permitted to maintain their present rate, but those desiring to raise their dividend rate above ten per cent. each year must obtain official permission which is not expected to be granted in many cases.

Japan last week took a major step toward complete planned economy with the decision to invoke an article of the National Mobilization Bill giving the Government full control over commodity prices, freight rates, insurance premiums, storage charges and rentals. Business men were almost universally opposed to the new legislation. They asserted that there was no single administrative body competent to delimit fairly the price ranges of Japan's highly varied industries. They also submitted the classical answer of laissez-faire proponents to those advocating increased Government control of business. The bureaucracy needed to enforce such legislation, they said, would be sufficiently bulky and complex to collapse under its own weight.

Strict punishment will be imposed on all who violate the provisions of the price control measure, which is Article 19 of the Mobilization law. Violators will be subject to a jail sentence, with or without hard labour, for a period of not more than three years and or a fine of not more than ¥5,000.

Meanwhile, the Ministry of Commerce and Industry is deliberating the question of whether or not to invoke Article 8 of the National Mobilization Bill, considered by many to be a necessary adjunct to Article 19. Article 8 provides for vertical price control and enables the Government to issue orders regarding production, repairing, distribution, transfer, and consumption of what is loosely termed "General Mobilization Goods."

This term can be expanded to mean practically all commodities. Japanese business men say that if this article is passed and enforced simultaneously with Article 19, Japan will be a socialist rather than a capitalist country. They complain that there may be discrimination in favour of industries which are vital in times of war, such as munitions, whereas toy makers, doll manufacturers, and dealers in luxuries will be the first to suffer. They fear a gloomy future for Japan's industries.

Japanese prices in the past have been loosely controlled by a law known as "The Legislation Concerning Temporary Measures for Exports and Imports". Henceforth, this law will no longer apply. Government leaders hope that good behavior on the part of industrialists will do away with the necessity of imposing even greater restrictions than those contained in Article 19. And this good behavior is practically assured so long as Article 8 remains hanging over the heads of Japan's hard pressed capitalists.—United Press.

Crew of British Vessel Released

Tokyo, Mar. 29.

The three members of the crew of the British freighter *Nail Seamount*, who were detained by gendarmes at Keelung, have been released, according to a message from the Japanese government. Arrested on a charge of taking photographs in a fortified zone, Thomas Miller, third mate, John Griffen, fourth mate, and Zanettus, cabin-boy, were held for trial. They were released today, after the payment of nominal fines and the confiscation of their cameras, and sailed aboard the *Nail Seamount*.—Reuter.

Wool From Seaweed

Tokyo, Apr. 2.

Japanese today are making wool from seaweed. Along the stormy coasts of North-eastern Japan, where sea weed is washed up in thousands of pounds, the Toho Artificial Fibre Company of Tokyo has established a factory capable of turning out five tons of "wool" a day.—United Press.

Optimism on Fisheries Question Unwarranted

Tokyo, Mar. 29.

"Optimism is not warranted regarding the developments in the Soviet-Japanese fisheries negotiations," Premier Baron Hiranuma told newspapermen here this evening at a press conference during which he followed the Government's attitude towards various internal and external problems in the light of recent debates in the Diet.

Japan, the Premier continued, belonged neither to the totalitarian nor the democratic camp. "Japanism," the elderly exponent of the Nipponese concept of government said, did not belong to any of the two opposing forms of administration and "yet does not come into conflict with either."

"There will be no change in the basic principle of Japan's foreign policy as laid down by the previous

Japan Takes British Protected Island

Tokyo, Mar. 31.

The Foreign Office announced today that Spratley Island has been placed under the jurisdiction of the Taiwan Government of Formosa and that the French Ambassador has been notified to that effect.

Spratley Island is located midway between the extreme southern point of Indo-China and the extreme southern point of Palawan Island in the Philippines group. The island, formerly known as Storm Island, was under British protection.—United Press.

Cabinet, but definite measures to enforce it must be modified in keeping with the changes in the international situation," Baron Kichiro Hiranuma stated.

Pressed by the correspondents for a clear statement on the future of the tripartite Anti-Comintern Pact, the Premier said he could not say at present how the accord between Japan, Germany and Italy would be strengthened, but hinted at the necessity of issuing a statement regarding the question in the future. The Premier, however, said he was not expecting to issue such a statement at present.

The Premier admitted that difficulties existed in adjusting Japan's relations with Britain, America and France. He declined to give definite views in this respect, but said that "relations with these Powers demand a readjustment."—Domei.

Hitch Occurs

Tokyo, Mar. 31.

The fishery negotiations in Moscow were almost concluded amicably, but a hitch occurred a few days ago owing to a change in the attitude of the Soviet Government, said the Foreign Office spokesman today in answer to a question put by a foreign correspondent.

This change of attitude, continued the spokesman, was not justified from the Japanese viewpoint.

Negotiations, he declared, were still continuing and representatives of the Japanese and Soviet Government again yesterday. The result of these conversations, however, had not yet been reported, according to the spokesman.—Reuter.

Tokyo Journal Attacks British Policy

Tokyo, Apr. 1.

The "Nichi Nichi" today attributes the Soviet Union's "hesitation" to adhere to an anti-German pact to her realization of the danger which would certainly accompany the obligations. It is impossible, it says, for the Soviet to "pull Great Britain's chestnuts out of the fire."

The paper compares the proposed anti-German bloc to an "anti-bullet jacket for Great Britain," and says that "lesser Powers in Europe, which hitherto have been exploited by Great Britain, show no enthusiasm in making an anti-bullet jacket for Great Britain."

Referring to the Italian conquest of Ethiopia, the union of Germany and Austria and the dismemberment of Czechoslovakia, the "Nichi Nichi" says the smaller Powers have been instigated by Great Britain to fight to safeguard her own interests, but invariably have been left in the lurch by Great Britain when it becomes certain that they are fighting a losing battle.

"On each occasion," the paper asserts, "Great Britain has discarded the lesser Powers like old shoes for the sake of 'peace'."—Reuter.

Army Plays Merchant Role

Supplies Purchased and Developed to Achieve Degree of Independence from Home Country

Tokyo, Apr. 2.

JAPAN'S military chieftains are planning to keep a large standing army on the Asiatic continent and to develop industries on the spot which will be sufficient to feed, clothe and arm this overseas fighting force. The purpose of the plan is not only to avoid the tremendous transportation problems of getting soldiers, food and munitions from the island of Japan to the China mainland, but also to eliminate the great cost of those operations.

If the expense of feeding and arming soldiers in China could be eliminated Japan could carry on indefinitely the guerrilla warfare which seems likely to continue for many years.

The Army plan is to establish munitions industries near the principal garrison centers, together with food production units and factories for the manufacture of other materials needed by the Army.

A precedent is found in the case of the South Manchuria Railway system, which is under the control of the Kwantung Army stationed in Manchoukuo and which makes profits while having its whole operations centred around military requirements.

Much of the new track laid down by the S.M.R. in Manchoukuo is to provide military rather than commercial routes. The S.M.R. engages in coal mining and other industrial activities as well as rail-roading, and has been in a position to make money from its varied enterprises as well as serve the Army.

Such a system applied to the whole of China would be an obvious advantage, particularly if the factories and other commercial enterprises originally sponsored by the Army could make profits as a straight business enterprise.

Monopoly Management

The Army leaders hope that industries which they will control in China will do exactly that. They could get commissions on transactions in territory under their control and in general hold an overlordship amounting to monopoly management. The big obstacle in the way of such a dream of continental self-sufficiency is the money consciousness of the Chinese people themselves.

A foreigner with many years' experience in the Far East, discussing this angle with the United Press, made the observation:

"The Chinese people will stand a lot of kicking around. But when anybody tries to fool with their money he's going to run into trouble."

The Chinese do not like the currency system which the Japanese Army is trying to impose, particularly in North China where the Army outlawed the national currency to which the Chinese had been accustomed and in which many of them had hoarded savings. In retaliation the Chinese are obstructing agricultural development so that the Army will have great difficulty in getting sufficient crop and exportable commodities from which necessary foreign exchange might be obtained.

Japan's War Minister, Lieut.-Gen. Seishiro Itagaki, was questioned about the Army's plans for garrisoning China during the Diet session. He said of the munitions question: "It is a matter of great importance for our national defence that heavy industries furnishing munitions should be developed on the continent so that large numbers of troops may be stationed there and our country may act properly in the event of an emergency."

Regional Self-Sufficiency

The interpellator, Mr. Ichiro Kono, asked: "Is it advisable for our country to get supplies of raw materials from Manchuria and China in accordance with the Japan-Manchoukuo-China economic bloc and from those materials manufacture finished articles in Japan?"

"I think it is quite natural in working out a general plan in this connection that a policy of regional self-sufficiency should be adopted," Gen. Itagaki replied.

During a budget sub-committee session Mr. Taneishi Miyazawa asked about the Army's purchases of raw materials in China and elicited the following information:

1.—The Army is purchasing local products in occupied sections of China and is frankly attempting to beat representatives of Third Powers to those purchases.

2.—The principal products, being purchased are cotton, hemp, wool and animal hides.

3.—About ¥60,000,000 will be available for Army purchases this summer.

4.—The Army determines its own prices but is attempting to keep them at a good level in order to promote recovery of normal conditions in the occupied areas.

5.—Military transports bring supplies not needed in China back to Japan. Here the products will be processed and the finished goods will go into Japan's foreign trade.—United Press.

Japanese Army Takes Political Role

Tokyo, Apr. 2.

Japanese Army leaders are contemplating political action for the Hiranuma Cabinet to take tangible steps towards materialization of certain domestic administrative measures which they consider urgent.

Among these are the creation of an independent Trade Ministry, fundamental reorganization of the Cabinet Planning Board, and an investigation into the prices of munitions and war materials.

Furthermore, the Army plans to set up an investigating committee of its own to inquire into behind-the-line activities. The Army, it argues, must do its part in devising solutions for various problems affecting internal conditions in Japan.

They consider that an Army Commission should enquire into:—

1. Possible shortcomings in the administration of military relief of families of soldiers at the front.
2. The re-employment and livelihood of demobilized and wounded soldiers.
3. Possible delay in the granting of consolation payments to the families of men wounded in the China hostilities.
4. Facilities and conditions in Army hospitals.

The "Nichi Nichi Shimbun" considers that the Army is making a belated effort to clarify what it expects of the Government. The Army, it says, has been practically inactive in civil and political matters since the inauguration of the Konoye Cabinet, but this new turn, it predicts, may have a definite bearing on the future position of the Hiranuma Cabinet.—Reuter.

Vice-President of New Railway Firm

Tokyo, Apr. 2.

Mr. Makoto Den, for many years director of the Board of Tourist Industry of the Ministry of Railways here, will be appointed vice-president of the Central China Transit Company, soon to be established as a subsidiary of the Central China Development Company to assume control of railways in that region, it was learned here today. Mr. Den, recently visited Shanghai.—Domei.

Tokyo Talks Over Axis Pact Admitted

Tokyo, Mar. 27.

The subject of strengthening the tripartite Anti-Comintern Pact is still being studied and nothing definite has yet been decided, said the Foreign Office spokesman today, in reply to a question put by a foreign correspondent.

When questioned regarding the alleged impending conclusion of a military alliance between Japan, Germany and Italy, the spokesman said he had no information on the subject.

"Japan sympathizes with the legitimate claims and aspirations of Italy," declared the Foreign Office spokesman in reply to a foreign correspondent today regarding the speech made yesterday by Signor Mussolini.—Reuter.

Outer Mongol Troops "Violate" Border

Tokyo, Apr. 1.

Outer Mongol troops, in some ten armoured cars and motor lorries, crossed the border and entered Manchoukuo territory near a town called Aragabola between March 18 and March 20, according to reports reaching here from Changchun.

The Mongols are said to have demanded that the Manchoukuo natives withdraw northwards. Prior to this, it is stated, three Outer Mongol aeroplanes crossed the border, on March 11, and reconnoitred over an area about thirty kilometres south of the border region.

The Manchoukuo Government is to protest to the Soviet Government regarding these alleged infringements of the border.—Reuter.

SHANGHAI NEWS

Modernized Power Plants

Mr. Stucken's Lecture to Engineering Society; Conversion Methods Described

Shanghai, Mar. 28.

UNDER the auspices of the Institution of Mechanical Engineers, China Branch, a paper on the "The Modernization of Industrial Power Plant" was given before members of the Engineering Society of China at the Park Hotel yesterday by Mr. S. Stucken B.A. A.M.I. Mech. E. A.M.I.E.E., Mr. G. Pickering M. I. Mech. E., M. I. Mar. E., occupied the chair.

The lecturer prefaced his remarks by pointing out that in textile mills erected in England in the latter half of the 19th. century the power plant consisted mostly of huge slow speed reciprocating engines supplied with steam from batteries of Lancashire boilers.

This plant somewhat unfortunately was built to last almost indefinitely. Thus, in many cases, mill owners were reluctant to replace machinery which appeared to function quite satisfactorily by new plant which would give the plant economy or flexibility.

However, even the most massive machinery must, after 30 to 50 years' constant working, begin to fall to pieces, and the lecturer suggested that his remarks could be applied to any mill or factory where the prime movers could no longer be patched up and it was necessary to consider installing entirely new plant.

Conversions

Mill drive conversions could generally be classified under one or two of the following main headings:—

- (a) Conversion of existing electrical large-group drives to smaller groups or individual drives,
- (b) Conversion of existing mechanical drive
- (c) Conversion to utilize process steam for power generation.

The first class of conversion usually arose out of a desire to improve the efficiency of a mill where not all the units in the group were working at full load at the same time. The losses in transmitting power were almost constant, irrespective of load, and if the distances were very great, might amount to as much as one third of the full load output of the motor.

In the case of failure of the motor, where individual or small-group drive was adopted the area affected by the shutdown was limited. The squirrel cage motor was cheaper and less complicated than the slip-ring motor, and could be used in practically every case where starting torque requirements permitted and constant speed only was required. Totally-enclosed protection should be specified wherever the atmosphere was heavily laden with dirt or fluff.

Mechanical Drives

Where the starting torque required was greater than that obtainable with squirrel cage motors operated by reduced voltage starters, slip-ring motors would need to be specified, and to reduce cost, pipe-ventilated motors might be used provided the trunking required was not too long.

In dealing with the conversion of mechanical drives, the author pointed out that, in considering the replacement of rope races by electric motors driven by power obtained from public supply or from a private turbo alternator unit, one should not lose sight of the fact that, unless the power had to be transmitted a long way, mechanical drive was fundamentally more efficient than electric drive. In view of this, it should be considered whether or not some portion of the mechanical drive could not with advantage be retained.

A number of possible arrangements were dealt with and difficulties described, bearing in mind that one of the major considerations faced when arranging for a change-over from a reciprocating engine to steam turbine drive was in the provision for the minimum possible shut-down time.

In dealing with conversions to utilize process steam for power generation, the lecturer gave comparative costs for power generated by back-pressure and condensing turbines.

A Useful Scheme

The cheapest form of reducing turbine was that where the steam was simply passed, through a back pressure turbine, and the ideal condition was where the electrical power generated in doing so was exactly absorbed by the mill; such a condition, however, obviously never occurred in practice, and it was usually necessary to supply the more complicated form of turbine, that is, the "pass-out" type, if constant steam pressure was required in the process mains.

An alternative existed to the controlled-pressure pass-out turbo-alternator catering for the whole of the mill demand, but this had not yet been worked to any appreciable extent. This alternative consisted of working, at mills, where both process steam and electrical power was required, small individual unit back

pressure turbo alternator sets in parallel with public supply. These units could be installed conveniently near to the process steam demand, thereby avoiding steam transmission losses, expense in distribution piping and lagging, and the necessity for a cooling water supply.

If the equipment were properly specified, manufactured and maintained, from the point of view of economic planning and the most efficient method of obtaining a maximum amount of useful heat per pound of coal, this would seem to be a useful scheme to adopt, bearing in mind the fact that as far as condenser sets were concerned, the small unit could not compare in thermal efficiency to the large ones now installed in all public undertakings.

Japanese Search Village

Shanghai, Mar. 31.

More than 100 Chinese villagers are reported to have been arrested yesterday in Peishicheng, a village located in the western district by Japanese military authorities in Shanghai after conducting a big raid during which traffic was held up and machine guns were placed at strategic points. The persons caught are suspected by the Japanese to be guerrillas but other Chinese

Czechoslovak Legation In Shanghai

Shanghai, Mar. 30.

The Shanghai Municipal Council has been notified that the Czechoslovak Legation in Shanghai having been closed on March 17, 1939, the archives of the Consular Section of that Legation were taken over by the German Consulate-General on that date.

villagers coming to Shanghai from that district are quoted as saying that the arrested persons have nothing to do with any armed force.

The report which lends weight to Chinese reports that guerrillas have been active on the outskirts of the city states that shortly after 9 a.m. more than 100 plain-clothes Japanese officers and men made their appearance suddenly in the district when the morning market time was not yet over. After placing several machine guns at various strategic points they carefully searched tea houses and restaurants and pedestrians resulting in more than 100 persons being arrested. The search lasted for nearly two hours and the arrested persons were transported in trucks to Hungjiao for questioning.

Two Chinese Guerrillas Shot in Hungjiao Area

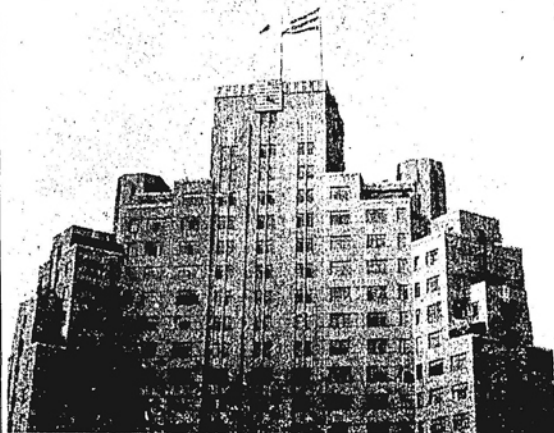
Shanghai, Mar. 29.

One Chinese was killed and another seriously injured shortly before 11 o'clock yesterday morning on Hungjiao Road near Warren Road in Japanese occupied territory.

According to the spokesman at yesterday's Japanese press conference, the two were members of a gang of about ten bandits (irregulars or guerrillas), who were reported to prepare for operations in the Hungjiao area.

As soon as this information was received by the Japanese headquarters, the spokesman continued, a detachment under the command of a second lieutenant, was rushed to the scene and a short skirmish ensued. Weapons, it was stated, were found on both the killed and the injured man.

Questioned as to whether yesterday's affray would cause any restrictions to be put on the movements of foreigners in the area, the spokesman replied in the negative.



Broadway Mansions Changes Hands

The Broadway Mansions on March 28 changed hands at a ceremony held at the roof when the Union Jack was hoisted down and the Japanese flag and the Reformed Government flag were hoisted. Picture shows the building with its new colours.

National Flags at Half-Mast

Shanghai, Mar. 30.

With thousands of Kuomintang flags, many of them flown at half-mast, fluttering from Chinese buildings of all descriptions in the International Settlement and French Concession yesterday, the twenty-eighth anniversary of the deaths of 72 Kuomintang revolutionaries, who were executed following the Canton uprising which was instrumental in ending the rule of the Manchu dynasty, was celebrated quietly by the Chinese population. With special police precautions in evidence everywhere, including the areas under Japanese military occupation, no untoward incidents were reported with the exception of the distribution of anti-Japanese pamphlets in the Central district.

Showered from a rooftop on Nanjing Road, near Yu Ya Ching Road, at 12.59 p.m. the first group of pamphlets was hastily seized by policemen on duty in the neighbourhood. A few, however, were grabbed by pedestrians in the district as they flustered to earth and for some time afterwards groups of Chinese were to be seen closely perusing the printed bills which were discovered at Louza police station to be anti-Japanese in nature, all of them extolling the virtues of the Chiang Kai-shek régime and urging support against the country's invaders.

At 3.45 p.m. another avalanche of printed bills came fluttering from the rooftops of houses in the vicinity of Foochow and Fokien Roads. These, too, said the praises of the Nationalist régime and urged strong support on the part of the Chinese inhabitants in the fight against the Japanese and their newly-formed governments.

Extra Patrols

Apart from these two incidents the day passed quietly, police precautions having been enforced since March 28, the first anniversary of the founding of the "Reformed" Government. Additional parties were despatched from all stations in the Settlement and Concession to patrol the streets, while in Hongkew, Yangtszepoo and other districts under Japanese military occupation, extra gendarmes and armed naval and military patrols were to be seen. Diligent searching on Garden Bridge and other structures leading over the Soochow Creek disrupted traffic for most of the day but at no time was there any serious delay.

A raid by the Settlement police at the Chung Nan Hotel in Avenue Edward VII on March 28 produced no results, although it had the effect of driving to ground any criminal elements in the district. This seemed to be the case throughout Shanghai yesterday for reports of terroristic violence or even the usually prevalent armed robberies were non-existent at the various police stations throughout the morning and afternoon.

Kuomintang Appeal

A statement issued by the Kuomintang office in Shanghai during the day urged the Chinese populace to fight the enemy with the same spirit shown by the martyred Canton revolutionaries, stating that by their efforts they had founded the present Chinese Republic. "Do not yield one inch," the statement continued, concluding with an appeal to the people to follow Gen. Chiang Kai-shek's call for spiritual mobilization.

In the French Concession there were no objections on the part of the authorities to the raising of the national flags nor were any removed by police parties as was the case

Broadway Mansion Flag Changing

Shanghai, Mar. 29.

Publicly announcing the change of ownership of Shanghai's largest hotel and apartment building from the Shanghai Land Investment Co. to the Shanghai Real Estate Co., a subsidiary of the Japanese Central China Development Co., the Union Jack was hoisted down from the flagpole of the Broadway Mansions yesterday morning at 11.45 and in its place was substituted the Japanese flag. A few seconds later, on an adjacent flagpole to the right of the Rising Sun emblem, the five-barred flag of the "Reformed" Government was raised.

The ceremony of changing the flags was carried out on the roof of the 16 storey building and was attended by Mr. A. W. Buck, general manager of the Shanghai Land Investment Co., Mr. A. S. Hersee, general manager of the Broadway Mansions, Japanese and Chinese directors and officials of the purchasing company, and several Japanese naval and military officers.

To the strains of "God Save the King," played on a gramophone, the assembly stood at attention as the Union Jack was lowered and as the Japanese and five-barred flags were raised, the Japanese national anthem, "Kimigayo," was rendered.

At a subsequent reception in the lounge of the hotel, Mr. Chen Shau-kuei, a director of the Real Estate Co., described the circumstances leading to the change of ownership. This was followed by three banzais for England and three for Japan, and a toast was also drunk to the "Reformed" Government.

Vigilance Committee of Japanese Formed

Shanghai, Mar. 30.

With a view to preventing incidents similar to the slaying of Mr. Ataru Makino, Assemblyman of the Japanese Residents' Corporation, on Pingliang Road on March 28, a vigilance committee will be formed by the Federation of Amalgamated Street Unions, an organization of Japanese residents in Hongkew, the "Taikoku Shimpō" reported yesterday.

The vigilance committee will be composed of members representing the residents on 58 streets in Hongkew. Notices concerning the formation of the proposed committee were sent to the heads of each street union on March 28, the paper said.

The projected committee will be divided into several sections, which, under the guidance of individual leaders, will attempt to prevent fires, robberies, and other untoward incidents, the paper stated. They will also seek the arrest of perpetrators of such serious crimes as incendiarism and murder, the daily added.

during the celebrations of Dr. Sun Yat-sen's birthday some weeks ago. Places of amusement curtailed their programmes during the day, and few people were to be seen in the usually crowded resorts on Avenue Edward VII and Yu Ya Ching Road.

In the American defence sector extra parties of U.S. Marines were on duty throughout the day, while additional men were held in readiness at the British billets in the city. The usual street searches were conducted in all parts of the two areas and the day was observed as a holiday by the Chinese Maritime Customs, the Post Office and the various Chinese schools.

Japanese Mill Official Shot

Shanghai, Mar. 29.

Mr. Ataru Makino, assistant manager of the Chinese Personnel Section of the Shanghai Cotton Spinning and Weaving Co., was shot and killed by a gunman, believed to have been a Chinese, shortly after 7.40 a.m. yesterday as he was proceeding from the company's staff quarters on Pingliang Road to the No. 3 plant of the firm on Yangtszepoo Road.

At the time of the attack, the victim was riding in his private rickshaw when, at the intersection of Linching and Hangchow Roads, his assailant rushed out from hiding and fired a single shot, which mortally injured Mr. Makino entering the left side of his head and emerging from the right cheek. He sagged back, whilst the puller of the vehicle dropped the shafts and took cover.

A few minutes afterwards, the Japanese Naval Landing Party and Japanese Gendarmes arrived on the scene and threw a cordon around several blocks, searching all pedestrians and detaining a number of suspicious-looking Chinese for further questioning. Nevertheless, it was reliably learned, the Shanghai Municipal Police was making official investigations and photographers from police headquarters, arrived on the scene soon after the shooting to take the necessary pictures.

Mr. Makino was 36 years old and an assemblyman of the Japanese Residents' Association. His body has been removed to the company's infirmary whilst investigations were proceeding.

Extraordinary Precautions

Soon after the actual murder, extraordinary precautions were being taken by the Japanese military authorities in all parts North of Soochow Creek. Sentries were posted at nearly every corner whilst Chinese pedestrians going into or coming out from Japanese-controlled territory had to submit to a far more thorough search than usual.

By noon, however, Hongkew had returned to normal and whilst a large number of sentries thus usually were still in evidence, particularly in Yangtszepoo and other outlying districts, many of them who had been posted in Wayside and Hongkew, had been withdrawn, although the searching on the bridges continued causing considerable congestion throughout the day.

One Suspect Detained

At a late hour last night, the reasons for the fatal attack were still unknown as the victim was not known to have had any enemies. The theory that it may have been an act of vengeance on the part of a discharged Chinese employee of the firm is not being discarded.

At the Japanese press conference last night, the spokesman said that all the suspects arrested by the Gendarmerie and members of the Naval Landing Party had been released with the exception of one, who is still being questioned.

No Developments

Mar. 30.

There were no further developments yesterday during the investigations conducted by the Shanghai Municipal Police and the Japanese authorities into the murder of Mr. Ataru Makino.

A few arrests were made by the Japanese Special Naval Landing Party who were co-operating with the Municipal Police but all were released with the exception of one man who was kept for further questioning.

Funeral

Apr. 2.

Funeral services for Mr. Ataru Makino, were held in the club rooms of the Shanghai Cotton Spinning and Weaving Company at No. 1795 Pingliang Road at 1 o'clock yesterday afternoon, the "Taikoku Shimpō" reported.

Tribute to Mr. Makino was paid by Mr. Masasaburo Amano, President of the Japanese Residents' Corporation, and Mr. Itsumi Hishida, President of the assembly of the corporation. Mr. Makino was assistant director of the personnel section of the cotton spinning company.

J.R.C. Widens Scope

Shanghai, Mar. 30.

Effective from April 1, the Japanese Residents' Corporation of Shanghai will widen its scope to include Japanese nationals residing within the Special Municipality of Shanghai, a Japanese consular notice said on March 28, Japanese newspapers reported last night.

Hitherto included in the Corporation's zone of jurisdiction were the International Settlement, the French Concession, and territories adjoining the two foreign-controlled areas to a depth of two miles.

SHANGHAI NEWS (continued)

Customs War Loss Estimates

Shanghai Damage Varies from \$800,000,000 to Four Billions ; How Mills and Factories Fared

Shanghai, Mar. 23.

An attempt is made in the Customs survey of China's trade for 1938, published today, to assess property and industrial losses caused by the hostilities. At present these estimates cover only limited areas, but as the survey points out, they are largely conjectural and vary to an astonishing degree. In Shanghai, for instance, estimates of losses have been variously assessed at totals ranging from \$800,000,000 to \$4,000,000,000, states the survey.

Damages at Nanking have been estimated at \$246 million, and direct losses to Chinese shipping at \$70 million. Of foreign investments in China valued at the start of hostilities at approximately U.S. \$3,500 million, U.S. \$800 million are claimed to have been irretrievably lost, American losses up to July being assessed at U.S. \$200 million. British losses at probably double that figure, while losses to German enterprises have been equally impressive.

During the three months' hostilities in and around Shanghai, destruction to Chinese industrial establishments is estimated to have been from 30 to 100 per cent, according to district. Of the 60 odd Chinese cotton mills in China, 31 were in the Shanghai area, of which 23 were damaged to varying extent. Destruction here was not as serious as in the case of the 15 mills in industrial areas on the Shanghai-Nanking Railway, which suffered severe losses. Out of a total of 47 Japanese cotton mills in China, 30 are located in Shanghai, but, in contrast to the entire destruction of Japanese mills in Tsingtao, only one of the Japanese mills in Shanghai suffered damages necessitating a stoppage of work. 197 machine dyeing, printing, and weaving concerns were stated by the Dyeing and Weaving Association to have been completely destroyed, with estimated losses of over \$9 million. Silk flatures in and around the Shanghai area suffered losses estimated at \$100 million, while at Wushih 46 flatures were damaged during the hostilities. Estimated losses in the

comparatively recent rubber industry amounted to \$5 million.

Flour Mills Wrecked

Of the numerous bigger flour mills in China, only 15 were in Shanghai, eight of which were known to have been destroyed. Capital invested in tobacco factories was over \$12 million. Out of the 18 bigger concerns, eight were destroyed with a loss of over \$5 million. The Commercial Press, which suffered a \$16 million loss in 1932, suffered again to the extent of between \$1 million to \$1 million dollars. The Kai Min Book Company's premises in Hongkew, capitalised at \$300,000, were completely destroyed, while some 200 small printing establishments were also ruined. Thirteen of the larger Chinese timber mills in Nantao and eight in Chapei were damaged or destroyed. The Shanghai Portland Cement Company, with a \$2 million investment in machinery alone, was badly damaged. The Kiangwan Chemical Works in Chapei reported a 40 per cent loss; the Alcohol Plant at Pootung was damaged; while numerous other chemical and paint and varnish works suffered severely.

Chinese soap works and tanneries lost extensively, while the machine-made paper industry, representing a capital investment of over \$17 million, suffered badly. The section of Chapei at one time crowded with small machine and metal works was entirely razed. Larger losses outside the Settlement included the Kiangnan Dock and Engineering Company's plant in Nantao, the Oriental Iron Works, the Ming Ching Printing Machine Manufacturing Company in Chapei, and the China Scientific Instrument Company's factory at Chenju.

Merely Indicative

Damaged enterprises included many of the newer and better organized factories, such as the China Can Company, which was destroyed with losses estimated at \$1 million, the well-equipped Chinese Educational Goods Factory and the Da Hwa Educational Goods Factory, both of which were also destroyed.

What has taken place at Shanghai is merely an indication of what has occurred at other occupied ports on the Yangtze River, along the coast, and in Canton—where all industrial plants, water and electricity works, the General Post Office, and most of the city's modern business sections were almost entirely destroyed by fire. To these losses must be added the incalculable damage suffered in the interior of China due to destruction by the invading armies, the Chinese "scorched earth" policy, and the floods in North China and in those provinces bordering Yellow and Yangtze Rivers. Despite all the damage sustained in the coastal areas, much valuable equipment has been moved westward, the plants, machinery, and staff of many industries in Chekiang, Kiangsu, and Anhwei having been transported with Government aid to zones of comparative safety in China's hinterland. In addition to Government aid, considerable private capital has been invested, resulting in the opening of a new era of industrial and agricultural development in the West and the opening of many new avenues to trade. The losses sustained as a result of hostilities, the diversion of shipping, the closure of the Yangtze River to navigation, the blockade of the coast, and the bombing of towns, roads, and railways were incalculably heavy.

Watchman Locked Up By Robber Gang

Shanghai, Mar. 30.

Locking up an Indian watchman on duty in his box, a band of daring thieves yesterday morning stole ten sewing machines, valued at ¥4,500, from the display rooms of Sakae Shokai, a Japanese firm at 698 N. Szechuen Road, the "Taikui Shimpo" reported yesterday evening.

Driving up to the store's entrance on Wuchang Road, the thieves loaded up their booty on a truck and made their escape before the watchman was able to raise an alarm.



Captain F. Miners

Wharf Manager of Holt's Wharf, who has gone on Home On Leave.

Japanese Plane Drops Leaflets

Shanghai, Mar. 29.

Pamphlets, praising the accomplishments of the "Reformed Government" since its formation a year ago yesterday were thrown from a Japanese naval plane which flew over various parts of the Settlement for nearly an hour between 8.30 and 9.30 a.m. yesterday. Chinese pedestrians, attracted by the rain of multi-coloured leaflets made a mad scramble for them as they were about to reach the pavements but few actually read them whilst in Nanking Road and on Avenue Edward VII for instance, a number of groups of Chinese, mainly of the coolie class were seen standing together whilst one of them read the contents of the leaflets aloud.

The plane flew at a very low altitude and concentrated mainly on the central district although Bubbling Well Road as far as St. Georges was visited on at least one occasion. After having unloaded its entire cargo of propaganda, the plane disappeared in the direction of Yangtzepoo.

Thousands of five-barred flags bedecked the streets of Hongkew yesterday in commemoration of the first anniversary of the establishment of the Reformed Government following the distribution of more than 12,000 ensigns by the Chinese Young Men's Association, the "Shanghai Mainichi" reported.

Leading members of the Young Men's Association grouped themselves into ten parties and made a house-to-house canvass in Hongkew, Civic Centre, Yangtzepoo and Chapei, to sell the Reformed Government flags at one dollar each, the daily stated.

A flag-raising ceremony and a lecture on East Asia development were held in the auditorium of the association on Wing Feng and North Szechuen Road. Five-barred flags were also distributed by the Japanese Residents' Corporation, especially to Japanese households in the Hongkew district.

Four Injured by Japanese Sentry

Shanghai, Mar. 31.

Four Chinese pedestrians were slightly injured at about 2 p.m. yesterday, when a Japanese sentry on duty on Szechuen Road Bridge, fired a shot at a Chinese of the coolie class, who apparently had disobeyed certain regulations. Two of the victims took rickshaws to go to the Lester Chinese Hospital, where their wounds were treated, whilst the other two were picked up by the Japanese and conveyed to a hospital in Hongkew, with foot injuries.

There are two versions to the affair. According to one source, the coolie was being searched by the sentry when, suddenly, he pulled himself away and ran down the bridge towards Szechow Road, whilst another version has it that he failed to show his pass to the sentry and when ordered to halt, began running down the bridge towards the Central district. In any case, the coolie in question managed to escape.

In view of the heavy traffic, the report of the shot was heard by a few persons only. Detectives from Central police station were investigating the affair yesterday, whilst the spokesman at the Japanese press conference said that he had heard nothing of the incident.

Japanese Use Guile To Trap Guerillas

Shanghai, Apr. 3.

Apparently coming to the conclusion that the most effective method of putting an end to the widespread activities of guerilla bands in the Shanghai area is not by the open use of armed force, the Japanese military authorities here have discovered a way in which the ranks of these irregular soldiers, whose activities in the past few months have caused many losses among their ranks, may be thinned out effectively without any undue waste of ammunition or the use of large armed forces.

Proving the most effective of any policies adopted by the Japanese military authorities since the campaign against guerillas was instituted, the new method of attack consists of dressing Japanese soldiers in the everyday garb of Chinese villagers, thus making it possible for them to mingle with the inhabitants of the many villages in the district which are infested with guerillas.

Confirmation of the adoption of this new policy came on Saturday when two of these disguised soldiers, both riding bicycles, succeeded in arresting two guerillas whom they killed. Chinese circles yesterday admitted that the two men, who were knifed to death instead of being shot, were Chiu Shiu-sen and Chiang Shih-chi, both of them belonging to the Fourth Company of the "Loyal and Righteous National Salvation Army" stationed in the Western District to harass the Japanese forces. Chu, it was stated, was a branch commander and Chiang a private under him. On both their persons the Japanese found documentary proofs that they were members of guerilla units.

Search Parties Active

In small groups of three and five these Japanese soldiers in the guise of villagers have been seen actively making various searches in the villages around Shanghai. The two guerillas Chu and Chiang, were seized by effectively being taken in by the disguise in Hungjiao Chen village. Not being alarmed by the presence of the "Chinese farmers" on their bicycles the two men allowed the cyclists to approach and without any warning suddenly found themselves arrested by the group. A search revealed incriminating papers and arms and without more ado the two men were trussed up with ropes.

This new method of catching guerillas has been approved by the Japanese authorities, over 100 tailors having been employed to manufacture coarse blue cotton villagers' clothes at a factory in Zai Tu Road, Nantao. Clothed in this garb, Japanese soldiers are despatched to the various villages where they institute searches and ask the inhabitants to produce their "good citizen certificates" which must be possessed by all bona fide citizens before they are allowed to live in the Japanese controlled areas.

The resignation of Dr. A. C. Bryson from the Health Committee, upon his retirement from business, has been accepted by the Municipal Council with regret. The Council, in expressing to Dr. Bryson its deep appreciation of the long and valued service he has rendered as a member of the Health Committee since 1930, added that the community has reason to be grateful for his sustained interest over many years in all matters affecting the public health.

Big Business Done In Gambling Dens

Shanghai, Apr. 2.

Daily attracting thousands of people who play in the vain hope of making something for nothing, Shanghai's newly-acquired gambling dens located in Extra-Settlement territory are doing a thriving business. These establishments which cater mainly to Chinese, as foreigners are not allowed without passes, offer every form of gambling likely to attract the unwary.

Rows of small rooms furnished with beds and apparatus for smoking opium are built about the larger gambling halls, and narcotics are easily obtainable for those who have the money to spend.

A visitor to one of these places immediately notices the precautions the owners have taken against rival gangs. One establishment is surrounded by high walls complete with watch towers and search lights.

The yard is large enough to contain about 250 motor cars and also serves as a lounging place for numerous armed guards, who are concentrated mainly about the single small door through which the client must pass to enter the building.

Rooms For Opium Smoking

To reach the gambling tables it is necessary to pass down a long hall which is flanked on both sides by small rooms. Through the open doors of some, people may be seen sprawling on the beds in various states of coma induced by the opium and heroin which the house supplies.

This passageway soon emerges into the large gambling rooms where roulette and dice tables are so crowded that the late comers are forced to stand. Chips may be purchased for as little as twenty cents or as much as ten dollars. The betting limit is fixed by the house at \$300 and nervous gamblers may frequently be seen placing the limit time after time in an effort to regain what they have lost.

The dice tables on the ground floor of the building are most popular among those who wish to play for small stakes, and poorly dressed Chinese sit hour after hour smoking free cigarettes and drinking tea as they methodically parcel out small chips at each throw of the dice, keeping carefully tally of the combinations which turn up in small note books furnished for the purpose.

Armed Guards Stationed at Tables

Each room contains an average of six tables and each table is kept clear of players along the side where the attendants deal out chips and note the bets. Armed guards are also present at every table as thousands of dollars may collect before part of the money is removed to the office.

All bets must be placed before the croupier rings a buzzer which is a signal that the play has started. The dice are then exposed and nimble fingered boys clear the table of bets, paying the lucky and placing the house winnings in open containers left upon the table.

Higher Stakes in Upper Rooms

One may ascend by a broad stairway to the upper rooms where the stakes are higher and all table attendants, with the exception of the croupier, are attractive girls. Small alcoves open directly upon the upper rooms so that opium smokers may watch the gambling.

As the night passes and crowds thin out, playing is confined to fewer tables and proceeds all night at some. The estimated income of this house runs into five figures daily which is easily believed from the number of people which fills the rooms for sixteen hours every day.

Manchoukuo Visa Office Planned Here

Shanghai, Apr. 1.

Reports that in future all travellers intending to visit or pass through Manchoukuo would have to obtain their visas in Japan, were denied yesterday by an official of the Japanese Embassy in Shanghai, who explained that the report might have arisen owing to the fact that there had been some difficulties during the past few months in connection with the issuing of visas for Jewish refugees from Germany, who intended to travel via Russia to Shanghai.

This had necessitated, he stated, the opening of a visa office in Berlin as the Russian Government had refused to grant visas to any of the refugees unless they were in possession of a Manchoukuoan visa. For foreigners in Shanghai, he added, the conditions were the same as before, visas being obtainable in Dairen, Peiping and Tientsin.

There was a possibility that in the immediate future a Manchoukuo visa office would be opened in Shanghai, he continued, but plans were not definite at the moment. With the opening of this office, he concluded, foreigners intending to travel through Manchoukuo would be able to secure their visas before commencing their journey.

Mayor's Demands on S.M.C. Repeated

Shanghai, Mar. 30.

In identic notes addressed to Comm. L. Neyrone, Consul-General of Italy and senior consul, and to Mr. C. S. Franklin, chairman of the Shanghai Municipal Council, Mr. Fu Siao-en, mayor of the Special Municipality of Shanghai under the "Reformed Government," yesterday asked for an immediate reply to his communication of March 10 which has remained unanswered, it was revealed yesterday evening.

In his previous note, Mayor Fu asked for the suppression of lawless elements in the Settlement; the re-opening of the Great Western Road sub-station of the Special Municipality Police; the return of land records left with the Municipal Council by the previous Chinese administration; the placing of the First Special District Court under the jurisdiction of the Special Municipality; and the prohibition of the display of "white stars in blue sky" flags in the Settlement.

Yesterday's note was handed to Mr. Franklin at 2 o'clock in the afternoon.

Mr. Fu asked for "an immediate and clear reply" whether or not the Consul Body and the Shanghai Municipal Council were "prepared to co-operate" with his administration. He also requested an expose of the views held by the two administrative bodies regarding the transfer of the First Special District Court to the jurisdiction of the new municipality.

Court's Decisions Unrecognized

The Mayor, in his note, announced that the Special Municipality would not regard as legally binding any decision made by the Court after April 1, both in civil and criminal cases. He stated that the agreement regarding the Court concluded between the various interested Powers and the Chinese Nationalist Government would expire on March 31.

The Special Municipality, Mr. Fu declared, was prepared to continue the operation of the existing agreement provided its jurisdiction over the affairs of the Court was recognized. He also requested prompt action regarding the four other demands presented on March 10.

Mr. Fu hoped for "an immediate reply, satisfactory to this administration, so that friendly relations may be improved and results achieved in the co-operation between the various authorities concerned."



French Forces Decorated by Government

M. Baudex, French Consul-General presented a large number of medals during an impressive ceremony held in the compound of the French Concession Administration Building at 4 p.m. on March 28. Top left: M. Baudex, accompanied by Concession officials, reviews the police guard of honour. Top right: M. Baudex decorating Colonel Louis Perretier with the Concession's Gold Medal. Bottom left: Mr. Eric Davies being handed the gold Medal and Citation of the award made to the French Specials by the Ministry of Foreign Affairs in Paris. Bottom right: Some of the officers being decorated by M. Baudex, with Concession medals.

"N.C.D.N." Photos.

Common Law Heritage Stressed

Oxford and Cambridge Society Entertain Judge Helmick; Value of British Ideals Emphasized

Shanghai, Apr. 2.

THE annual dinner of the Oxford and Cambridge Society was held last night in the Masonic Hall, Avenue Road, with Judge Milton Helmick of the U.S. Court for China as the guest of honour. Over fifty members of the society were present for the annual meeting which was held just before the dinner. The business of this meeting having been gone through with the customary despatch and the accounts having been adopted, the following were elected as officers of the society for the ensuing year:—Mr. J. R. Jones, president, Mr. J. McNeill, vice-president; Committee:—Messrs. A. V. T. Dean, R. H. Heyworth, Dr. J. H. Jordan, Dr. Sze Ming-sze, and Judge Y. H. Lou. Mr. N. J. Stabb was re-elected treasurer, and the duties of secretary were taken over by Mr. P. J. Innis. A tribute for his excellent work for the society during the long period in which he had been acting as secretary was paid to Mr. A. H. Samson, the retiring secretary.

The beautifully proportioned banquet hall of the Masonic building, with its fine acoustics, proved an ideal setting for the dinner. Dr. Sze Ming-sze, varying the usual order of the toasts, proposed the toast of Alma Mater, after the health of the King had been drunk. In an extremely good speech, Dr. Sze began with a needless apology for possible misuse of words, which he said, had during the last few years come to take somewhat individual meanings. As examples he quoted as proofs of general moral deterioration of the world's standards, the meanings attached to the words "appeasement," "sincerity," and the elasticity of the word "incident" as applied in China.

Links With Universities

He emphasized the links between China and the older English universities, and said that one of the most important events of years were the appointment of a prominent Chinese scholar to the seat of Chinese at Oxford. To everyone's regret it was probable that fewer Chinese students would be attending Oxford and Cambridge in the future, as, up to the outbreak of the present troubles, China had been improving the facilities in her own country for the higher education of her citizens. British ideals had, he said, become to be recognized by the Chinese as a high standard to which all should cling, and they could gauge developments in Central Europe and elsewhere by the measure in which they departed from these ideals.

In proposing the health of the guest, Mr. J. R. Jones touched briefly upon the history of the society, which was founded by Sir Havilland de Saumarez in 1909. The only original member who was still in Shanghai was Sir Allan Mossop, who was carrying on the judicial tradition of the society in occupying the bench upon which the founder of the society

had sat. It was additionally appropriate that the guest of honour should be the chief judge of the United States Court for China. Judge Helmick, the president continued, had had an interesting career. He was born in Missouri, the "Show me" state; educated in Colorado, the "Silver state"; and had practised at the bar and sat on the bench in New Mexico, the "Sunshine state". He was known as a sound judge and a humane one, who tempered the wind to the shorn lamb, while combining dignity and humour.

Once a Reporter

At one time, he continued, Judge Helmick had been a fully fledged reporter on the "Denver Times", and if journalism in that city was anything like the journalism of Tennessee described by Mark Twain, Judge Helmick must have lived a colourful life.

He welcomed the guest not only as the representative of one of the only two national courts, as distinct from consular courts, at present in China—the other court being the British—but also as representative of the universities of the United States, he having been at universities in California and Colorado.

The president emphasized the link between the universities of the old world and the new. Harvard University was founded by John Harvard, a graduate of Emmanuel College, Cambridge, in 1639, in commemoration of seventy members of the colony who had been educated in England. Harvard College, as it was then, was run on the lines of Emmanuel. Before closing he mentioned Cecil Rhodes, whose dream it was to perpetuate the influence and traditions of the old universities.

Judge Helmick Replies

In reply Judge Helmick expressed appreciation of the interesting and

informative story of his own career just given by the president. Mr. Jones, he said, had recently appeared in the American Court as a witness—not to testify to facts or happenings, but to tell the court what was the law. Having heard what was the law, he, Judge Helmick, had ruled accordingly. The case was now under appeal, and he wished it to be known that, should there be news shortly that the courts in San Francisco had overruled his judgment, he was not alone to blame. (Laughter).

Judge Helmick continued in a most amusing vein, telling the story of a wife whose father was in prison, whose mother was in an insane asylum, sister in a welfare home, brother in a reformatory—and another brother at Harvard. At Harvard? Yes. In a glass jar in a laboratory, with two heads. He had intended to tell this story with the siltus at Cambridge instead of Harvard, he continued, but he had lost his nerve.

Common Law Heritage

From the light to the more serious vein, Judge Helmick dwelt for some time on the heritage of the common law in England and the United States. This heritage was now in peril, he emphasized, owing to the actions of others. It was a philosophy of human conduct as between man and his fellow man which should be preserved at all costs. It was also a political end. After dealing with a number of points supporting the urgency of the need for preserving the common law heritage, he concluded on the note that the heritage was that the state was for the citizen and not the citizen for the state.

He warned his hearers of the dangers to this heritage now extant in other ideologies. The heritage disapproved of assassination as a political weapon; it stipulated for fair and neck trials for its citizens; it stood for personal liberty; and justice between the rich and the poor. All this was now in danger.

The roll was then called by Mr. H. H. Thomas, after which the president called upon Miss Micky Hahn for a few words, as representing American womanhood at the dinner.

Dead Foreigner Found in Seymour Road Market

Shanghai, Mar. 31.

A foreigner of the beggar class, believed to have been a Russian, was found dead in the Seymour Road market early yesterday morning. The man was dressed in grey trousers and a blue jacket and his age was believed to have been about 42. Settlement police authorities are now seeking relatives of the deceased, or anyone who could identify the corpse, which is now lying in the Kiaochoh Road mortuary.

Ningpo Former Pupils Honour Teacher

Shanghai, Apr. 1.

More than sixty Ningpo former pupils were present at the farewell dinner held yesterday evening at the Navigation Club, Canton Road, in honour of Mr. and Mrs. H. S. Redfern who have spent nearly forty years as Christian educators in Ningpo, and who are leaving China next Friday, April 7, for England on retirement.

Mr. L. T. Yuan, Chinese member on the S. M. C., and formerly principal of the English Methodist College, Ningpo, which institution incorporated with the Ningpo Middle School, and is now known as the Chetung Middle School, was in the chair. Glowing tributes were paid by Dr. C. S. Miao of the China Christian Educational Association and Dean T. K. Van of the University of Shanghai. Mr. C. C. Chih reported on the work of membership campaign which is in full swing. Mr. Yuan, business manager of the Chetung Middle School, who made a special trip to Shanghai on this occasion, reported the progress and work of the school in spite of the hostilities.

The Shanghai Ningpo Old Boys Association gave a glass case containing eight immortals carved in ivory as a memento to Mr. and Mrs. Redfern who both appreciated the gift very much. Mr. Redfern in his reply said that he can now depart in peace for his plans in coming to China have been completed and now that his eyes have seen many of his students rise and shine as scientists in China today.

Many Chinese Return To Hongkew

Shanghai, Apr. 1.

Averaging 500 daily, the number of Chinese returning to the Hongkew and Yangtsepoo areas to live has been showing a steady increase since a Special Japanese Gendarmerie office was established on North Szechuen Road in June 1. year to issue permits to returning Chinese, the Japanese press reported yesterday.

During the month of February, 13,341 Chinese obtained permits to settle in the areas north of Soochow Creek, breaking the record of the preceding month, the Allies stated. From last June up to the present, 109,000 Chinese, out of 120,200 who have applied, have been granted permits to live in Hongkew and Yangtsepoo, the papers said.

Merchants and retail salesmen comprise the majority of the returned Chinese settlers, with the next largest group classified as factory hands.

Medals for French Forces

Forces

Shanghai, Mar. 29.

At a simple but impressive ceremony held in the compound of the French Municipal Council's Administration Building at 375 Avenue Joffre at 4 p.m. yesterday, M. Baudex, Consul-General for France, presented the French Specials and the French Volunteers with the Gold Medal of the Ministry of Foreign Affairs whilst the Municipal Council and the Concession Police Force were awarded the vermeil medal. Col. Perretier was decorated with the Concession's Gold Medal.

Prior to the presentation of these four awards, 32 officers and men of the French Forces were decorated with Concession medals.

The French Police, with Russian, Tonkinese and Chinese detachments formed a guard of honour, whilst upon the arrival of M. Baudex and M. Brediam, Secretary-General of the French Municipal Council, the "Marseillaise" was struck up by the Police Band.

The officers and men who were about to receive their decorations were lined up in the middle of the compound, headed by Colonel Perretier, Commander of the French Forces in Shanghai, who is leaving for Japan tomorrow morning.

On the right small detachments of Specials and Volunteers had taken up positions.

After addressing the group which was about to be decorated M. Baudex proceeded to pin the various medals unto the uniforms of the recipients who were standing several rows deep.

Next to this military group, M. Brediam, Commander Fabre, M. Grosbois and Mr. Eric Davies had taken up positions to receive the awards from the Ministry of Foreign Affairs. The medals have a blue-white-red ribbon and will be pinned to the flags of the four units thus honoured.

In the back-ground, many prominent members of the French Community watched the proceedings with interest.

At the conclusion of the ceremony which lasted about 20 minutes, the guard of honour marched off whilst the various officials gathered there, slowly dispersed.

List of Decorations

The complete list of Concession awards to officers and men of the French Forces in Shanghai, is as follows:

The Concession's Gold Medal to Colonel Louis Perretier; The Concession's Silver Medal with clasps to Chief of Battalion Amedee Fabre, Commanding the Second Battalion de Marche on China; The Concession's Silver Medal to Capt. Lucien Pachy, Adjutant of the Commanding Officer; Paymaster Jean Camille Rougy; Capt. Forest Sautier; Capt. Leon Lemaire; Capt. Paul Guigue; Capt. Jacques Sit; Lieutenant Marcel Guillaume; Capt. Pierre Brevet; Capt. Rene Glumet; Capt. Corporal Denis Dece; First-Class Privates Andre Hye and Desjardins; Chief Corporals Jodon and Soutaines; The Concession's Bronze Medal to Second Lieutenant P. Dauly; Adjutant Chief of Battalion Joseph Caudal; Adjutants P. Faiguet, and Lucien; Chief Sergeant F. Pogli; Sergeants F. Poggi and F. Le Filoux; Machine-gunner Dao Van Nhung; Adjutant Joseph Delaurie; Sergeant Pierre Col; Corporal Denis Dece; First-Class Privates Andre Hye and Desjardins; Chief Corporals Jodon and Soutaines.

The four awards from the Ministry of Foreign Affairs were accompanied by citations signed by M. Andre Lebrun, President of the French Republic, and M. Georges Bonnet, French Foreign Minister, in which the excellent services rendered by these groups during the period of emergency, were lauded. The awards were dated July 8, 1938.

Japanese Impose Tax On Entertainments

Shanghai, Apr. 2.

Japanese pleasure-seekers will pay more heavily for their fun beginning yesterday, when a tax levied upon the income of taxi dancers and admissions paid by theatre-goers went into effect, the "Shanghai Mainichi" reported yesterday.

To meet the ever-increasing expenditures of the Japanese Residents' Corporation, a new tax system passed in the 32nd session of the Assembly became effective yesterday, the beginning of the new fiscal year, the "daily" stated.

A five per cent. tax formerly imposed on entertainment in Japanese restaurants was increased from five to seven and a half per cent. in the new tax measures, according to the paper.

Budgets of the Japanese Residents' Corporation, beginning with the current fiscal year, will be compiled in terms of Japanese yen instead of Chinese currency as has been done in the past, the journal added.

SHANGHAI NEWS (continued)

Horticultural Society

Review of Year Given by President at Annual Meeting; Handicaps in Outside Areas Overcome

Shanghai, Mar. 29.

STATING that the two exhibitions held in 1938 had been successful in spite of the difficulties experienced by members who maintained gardens in outlying districts, Brig.-Gen. E. B. Macnaghten, Chairman of the Executive Committee, presided at the annual general meeting of the Shanghai Horticultural Society held yesterday afternoon at 259 Kiangse Road.

The chairman in his speech said:

Two exhibitions were held in 1938, the difficulties being experienced by members maintaining gardens in the outlying districts having an adverse effect on these exhibitions. Many of our regular exhibitors were unable to compete while several others were able to compete in a few classes only. The Spring Flower Show was held at the Masonic Hall, Avenue Road, on Sunday, May 15, 1938, and it was a very colourful one, thanks mainly to our energetic ladies' committee. The floor space available was considered by your committee to be too small for staging the usual pot plant sections, so entries in these sections were limited to six pots per member. Features of this exhibition were the cut flower and decorated table sections and the junior competition.

An Inter-School competition was arranged at this show, points being awarded to winners in the various classes in the junior competition. Thanks to the hard work carried out by Mrs. W. J. Hawkins, this competition was a great success; the first prize (a large silver medal) being won by the Cathedral School for Girls. Banquet tables were shown at this exhibition and the judges had a most difficult task in making the awards. All the tables were works of art and the ladies concerned are to be complimented on their endeavours.

First Prize to Mrs. T. B. Dunn

The first prize was awarded to Mrs. T. B. Dunn, the second to Mrs. F. Reiss and the third to Mrs. Reclor-Smith. Mrs. T. B. Dunn was also awarded the Sir Peter Grain Cup for the most meritorious exhibit in the Show. Mrs. A. P. D. Telfer-Smollett received the first prize in the decorated dinner table section. Mrs. T. B. Dunn being a very close second. The autumn show was held at the Shanghai Race Club on Wednesday, November 16 and Thursday, November 17 1938 by kind permission of the Stewards and although this exhibition was smaller than those held in previous years, it was a very successful one. Your Ladies Committee again worked very hard to make the show a success and in this connection I should like to thank Mrs. C. S. Franklin and Mrs. J. D. E. Shatter for their kindness in taking over the onerous task of arranging the cut flower section and junior competition in the absence of the Chairman (the Ladies Committee).

Mrs. A. P. D. Telfer-Smollett again won the first prize in the decorated dinner table competition and she is to be congratulated on her feat in winning first prizes at both Shows and on her splendid arrangement of a show scene exhibited at the Autumn Exhibition. Reference to the dinner table competition at the Autumn Show would not be complete without reference to some of the other tables arranged. The second prize was awarded to Mrs. L. M. Pharis who exhibited a very effective table. Chrysanthemums were arranged artistically in a decorated boat, an old ivory figure being placed at the side. Mrs. Eva Woetzel's table received third prize; this being decorated to represent a German Christmas dinner table. Mrs. W. C. Cassels exhibited a very nice table which received a lot of votes as also did Mrs. W. J. Gander's arrangement of rust-yellow and mauve chrysanthemums.

Attractive Tables

Mrs. A. Renner's table attracted a lot of attention. This was arranged to represent a Hungarian peasant's table, and samples of lovely embroidery were used in the scheme. An American Thanksgiving table complete with fruits and vegetables in season was artistically arranged by Mrs. Ralph Dunn and Mrs. J. E. Baker's arrangement of blue sweet peas and asters was very charming. Mrs. W. J. Keswick's arrangement of white chrysanthemums and red dahlias was very attractive and favourably commented upon as also was a simple luncheon table decorated by Mrs. P. S. Hopkins.

The Inter-School competition, at this show was won by The Peter Pan School and 16 awards were made in the Junior Competition. The Sir Peter Grain Challenge Cup was not awarded at this exhibition. Certificates of Merit were awarded to Mrs. C. A. Momber, Mrs. G. E. Mitchell

and Mrs. R. D. Murray during the year for exhibits shown and Gardeners' Certificates to Hsu Ven-sung and Ko Ah-tu.

Thanks for Donations

We received a grant-in-aid of \$400 in 1938 and our thanks are due to the Shanghai Municipal Council for this. We are indebted also to the Stewards of the Shanghai Race Club for their generosity in permitting us to use their premises free of charge for the Autumn Show and to Mr. Olsen and his staff who, as usual, gave us much valued assistance. We are indebted also to the Shanghai Electric Construction Company and the China General Omnibus Company for their continued generosity in granting us free advertising space. Much valued assistance was also received from several hotel managers, headmasters and headmistresses of schools and secretaries of various clubs who kindly exhibited our posters and distributed handbills advertising shows.

I should like to place on record our deep appreciation of their kindness and at the same time express the thanks of the society to the local press for the interest displayed in our activities and the generous space afforded to shows. I also desire to thank Mr. B. O. Blaker for his kindness in auditing the accounts and our Hon. Treasurer, Mr. W. J. Hawkins, for the very efficient manner in which they have been kept.

After the report was concluded Sir Allan Mossop was elected President to replace Mr. Horace Kadoorie. Mr. Kadoorie was then elected a Vice-President to fill the vacancy on the list left by Sir Allan Mossop.

Mrs. M. W. Stranack, Mrs. G. B. Fryer, and Mrs. W. J. Kerr were elected to the Ladies Committee; Mr. W. J. Hawkins was re-elected Honorary Treasurer; and Mr. W. J. Ferr re-elected Honorary Secretary.

Monthly Tiffin of St. George's Society

Shanghai, Mar. 31.

Major J. T. Ford, O.B.E., the newly elected President of the Royal Society of St. George (Shanghai Branch), presided over the usual monthly luncheon of the committee yesterday at the Shanghai Club, when Mr. W. G. Clarke, M.A.E., this year's President of St. Patrick's Society was entertained as the guest of honour.

In proposing a toast to Mr. Clarke and the Society he represented, Major Ford referred humorously to the history of St. Patrick, and expressed the great pleasure he had in being able to entertain the committee's guest who was an old friend and colleague of his for many years standing. He briefly sketched Mr. Clarke's career and spoke of the excellent services he had rendered the community during his association with the Shanghai Municipal Police, and congratulated him on being elected president of St. Patrick's Society.

Mr. Clarke duly returned thanks, in a speech replete with anecdotes, and much national wit.

The annual general meeting of the Shanghai Land Valuers' & Surveyors' Society was held on March 27 and the following gentlemen were elected to serve on the Committee for 1939:—Messrs. R. D. K. Silby (chairman), H. Berents, J. T. W. Brooke, J. R. Maughan, N. E. Kent and A. W. Buck (Hon. Sec.).

At the annual meeting of Union Church congregation, held on March 29, the following members of the retiring Committee were re-elected:—Messrs. Adam Black, A. A. Ewing, James Macbeth, David McGavin, Dr. Bernard E. Read, A. W. Sheriff, and A. Youngson, with Mr. W. M. McLellan elected to fill the vacancy caused by the retirement of Mr. F. H. B. Harmon, who recently left on furlough. Preceding the meeting, supper was served by the Church, and was attended by about 100 members of the congregation.

Catholic Federation Annual Meeting

Shanghai, Mar. 27.

The annual meeting of the Catholic Federation was held after the last mass yesterday. After the passing of the accounts, Rev. Father MacDonald, who was in the chair, gave a short résumé of the work done during the past year. In spite of the very unsettled state of Shanghai considerable activity has been seen in the Federation.

A very active branch of the Federation has been the Poor Relief Section which is run by a small group of ladies of the Parish. They have distributed \$1,721.19 during the year. Of this amount \$280 was received from the Caisse des Œuvres and the Race Club, \$666.67 from the poor box and the remainder from the Federation. The poor box receipts have been very gratifying being \$242.38 more than last year. Besides this they have distributed 667 articles of clothing. This is a very worthwhile work and members were urged to continue to remember the poor box and to bring in any clothing that they can spare or collect. Another phase of poor relief has been the making of articles of warm clothing by a group of American ladies who have worked in their homes and sent their work in to be distributed.

A Parish Library

Early in the season tennis was organized and proved very successful. In spite of the dissolution of the Club Section after the troubles of 1937, the Committee were able to provide the refreshments as well as the necessary changing rooms which go towards making tennis either a success or a failure, and it is hoped that next summer more members will think of the Federation courts before going elsewhere.

Last June, the English books from St. Joseph's Library in Rue Montauban, about 3,000, were offered to the Parish. The Federation agreed to combine their library with this gift and form a Parish Library, and there is now a very excellent library which will be improved as opportunity offers. It is free to members of the Federation and other members of the Parish will be charged a small subscription.

On June 12 the annual "At Home" was held and was without a doubt, a great success. In spite of the rather wet weather nearly 150 people attended.

A branch of the work of the Federation which perhaps may go unmentioned is the Catholic Truth Society. This work is financed by the Federation and the pamphlets are carefully chosen and arranged by members of the Committee. This is an excellent way for the Parish Literature.

Man Strangled in Electric Wire

Shanghai, Apr. 2.

The body of an unidentified Chinese who had been strangled to death was discovered about 11 a.m. yesterday in a room at the New World Hotel on the corner of Yu Ya Ching and Bubbling Well Roads.

The murdered man, who was about 34 years of age and believed to have been of the coolie class, was found with an electric wire wrapped tightly around his neck and knotted tightly at the back. Two electric switches were found on the floor near the body.

From investigations made by the Police it appears that the victim had been visited in his room by three men at about 3 a.m. on March 31. The four men drank a great deal of wine together and later had dinner. The tea boy who attended them until about 5 a.m. told the Police that his suspicions had been aroused when he received no call from the room the following day. Upon entering the room with a master key he discovered the body lying on the floor. The three guests were not seen leaving the hotel.

No Means of Identification

The Police are of the opinion that the guests made the victim drunk with wine and then killed him, carefully removing all signs of identification from the body before leaving the scene of the crime. The only effects that were found on the murdered man were two tram tickets; however there is evidence that the man had been wearing a ring upon the fourth finger of his left hand.

Two men, one an actor in the New World Amusement Resort and the other an employee of a leather shop in the same building, were arrested by the police and subsequently released. The murder is not thought to have had any political significance.

Indian Merchants Association

Shanghai, Mar. 31.

Several references to the continued success of the newly formed Indian Merchants Association, Shanghai, were made at the first ordinary general meeting of the body yesterday by Mr. H. R. Savul, President, who expressed his thanks to the Indian community in Shanghai for their continued support.

In his speech the Chairman referred to the formation of the Association which followed a tea party sponsored by the Indian community in Shanghai and arranged by Mr. N. B. Doodha at his residence on October 14, 1937. After being suggested at this tea party, the Association finally came into being on November 8 of the same year.

Continuing with the history of the Association, Mr. Savul stated that a general meeting at which all Indian firms were represented, was held in December and at this gathering the formation of the Association met with unanimous approval, a committee being appointed to organize and draft the constitution of the Association.

Following this, the Chairman continued, each community was asked to send the names of two elected representatives to serve on the Managing Committee with the result that two members from each of the Indian communities in Shanghai—Parsee, Hindu and Muslim—were elected.

Membership

"It is indeed a great pleasure for me to say," Mr. Shroff continued, "that now the 28 Indian mercantile firms in Shanghai, which under the articles of the Association are eligible as merchant members, have all been enrolled." Dealing with associate members, he stated that he extended a hearty welcome to those who had already joined the Association and he had little doubt that many more would enroll in the future.

Referring to the work of the Association since its inception, the Chairman mentioned the tea party which had been given in honour of Dr. H. N. Kunzru, President of the Servants of India Society and a member of the Council of State in India, who was passing through Shanghai on his way home on December 30, 1938.

The Chairman added that Dr. Kunzru had expressed great satisfaction at the formation of the Association and explained how useful it was for the Indian community in Shanghai to have such a body.

Thanks

Another tea party in honour of Dr. R. R. Saksena, Indian Trade Commissioner at Osaka, Japan, who came to Shanghai on a flying visit on February 9, was also referred to by Mr. Savul. Dr. Saksena, the Chairman continued, had expressed his satisfaction at the formation of the Association and on his return to Japan sent a most helpful letter to the members.

Regret was expressed at the resignation of Mr. Faiz, who had left the city. His departure had caused a vacancy on the managing committee which had been filled by Mr. Abdellay, who was elected by the Muslim community.

Concluding his report, Mr. Savul thanked the members for their co-operation and Mr. Kima and Mr. Kima and Mr. Gidham for sharing the costs incurred in connection with the tea party given at the Park Hotel in honour of Dr. Saksena. He also thanked Mr. Shroff for his valuable work as secretary and Mr. Sheriff and Mr. Abdellay for allowing the Association to use their premises whenever required.

Eleven Houses Are Destroyed by Fire

Shanghai, Mar. 28.

Eleven Chinese dwellings were reduced to a heap of ashes in a fast spreading fire which broke out at No. 296 Boulevard des Deux Républiques at 3.26 a.m. yesterday, and French fire fighters only left the scene twelve hours later.

Fanned by a strong wind, the fire soon spread to ten adjoining houses thus rendering some 250 people homeless, but fortunately, no casualties were reported, notwithstanding the fact that all inmates of the houses must have been asleep at the time. All machines from Poste Joffre turned out to the conflagration and, upon finding that the fire seemed out of control, two additional stations were asked to assist, and the combined efforts of nearly the entire Concession brigade, brought the blaze under control some two and a half hours later, when a number of engines left behind guard remained and poured water on the debris until 4 p.m. yesterday.

Annual Meeting of King's Daughters

Shanghai, Mar. 30.

The annual general meeting of the King's Daughters' Society was held yesterday at the home of Mrs. H. C. Hopkins, 158 Edinburgh Road, and was well attended.

The annual report having been in the hands of members for some days, the President gave a short survey of the year's work, paying a tribute to all the circles and the various Committees for their hard work and devotion. It was encouraging, Miss Jansen said, to realize that a Society which has existed for over 47 years has not outlived its usefulness, but, on the contrary, has enlarged its sphere of activities. The visiting of the hospitals; the care of the many cases who apply for help to the Charity Organization Committee; the providing of comfort, rest and renewed health to women and children; the supplying of clothes to the needy—these are some of the ways in which the King's Daughters try to help a little. Special mention was made of the improvement in the carrying out of philanthropic work in Shanghai since the establishment of the Associated Foreign Charities.

The Treasurer gave some interesting details of the expenditure during the year, amplifying, in some cases, the figures given in the report. She made a point of the remarkable way in which funds have suddenly come in to help us to carry on, at times when the financial outlook has been dark and apparently bankruptcy stared us in the face.

New Officers

The following were elected to serve on the Executive Committee during the current year:—

President, Miss M. Jansen; Vice-Chairman, Mrs. H. H. Morris; Hon. Treasurer, Mrs. E. Fauthorpe; Asst. Hon. Treasurer, Mrs. D. Mortimer; Hon. Secretary, Mrs. V. Arnold-Jones; Asst. Hon. Secretary, Mrs. A. Rush. Chairman of the Charity Organization Committee, Mrs. W. C. Bond; Secretary of the Charity Organization Committee, Mrs. E. Bettison; Chairman of the Western Circle, Mrs. K. Newcomb; Chairman of the Jansen Circle, Miss N. Pugh; Chairman of the Gaskin Circle, Mrs. F. Rankin; Chairman of the Convalescent Home, Mrs. H. E. Harris; Chairman of the Hospital Visiting Committee, Mrs. F. W. Post; Chairman of the Clothing Committee, Mrs. J. J. Evans; Chairman of the House and Membership Committee, Mrs. W. J. Brown.

The Entertainment Committee, formed to raise funds during the current year reported that a bridge and mahjong tea has been arranged to take place in the guests' green room of the Shanghai Race Club on April 27. It is hoped to arrange a children's concert or entertainment before the summer. A fun fair will be held in September and a variety performance in November.

The President brought the Anti-Spitting Campaign, sponsored by the Joint Committee, to the notice of the meeting and urged all members to do their best to support it.

London Chamber of Commerce Examinations

Shanghai, Mar. 30.

The following students are to be awarded certificates by the London Chamber of Commerce Education Department, in connection with the examinations held last Autumn in Shanghai, under the auspices of the British Chamber of Commerce:

HIGHER COMMERCIAL

Calibo, Elizabeth Cecilia:—Shorthand (Speed 100—pass).
Dyrdale, Mavis Beryl:—Typewriting—pass.
Hay, Emma:—Typewriting—pass.
Stirling, Jeanne Elizabeth:—English—pass.
Wolitzer, Pearl Alice:—Shorthand (Speed 120—pass), Typewriting—pass.

COMMERCIAL

Andrews, Gwendolyn Maud:—Typewriting—pass with distinction.
Borodina, Mrs. Olga:—Shorthand (Speed 80—pass with distinction).
Campbell, Gertrude:—English—pass with distinction, Shorthand (Speed 80—pass with distinction), Typewriting—pass.
Chaillet, Madeleine Marguerite:—Shorthand (Speed 70—pass with distinction).
Dann, Doreen:—Typewriting—pass with distinction.
Giovitti, Anna:—Shorthand (Speed 70—pass), Typewriting—pass.
Jul, Lily:—Typewriting—pass with distinction.
Lee, Alice:—Shorthand (Speed 80—pass with distinction).
Lee, Ellen Grace:—Shorthand (Speed 80—pass with distinction).
Ossipova, Galina:—Shorthand (Speed 80—pass with distinction), typewriting—pass.
Pan, Lizzie:—Typewriting—pass with distinction.
Stirling, Jeanne Elizabeth:—Shorthand (Speed 80—pass with distinction).
Stead, Nellie:—Typewriting—pass.
Tuckin, Lily:—Typewriting—pass with distinction.
Tonkin, Rosemarie:—Typewriting—pass with distinction.
Yang, Dyphine:—Shorthand (Speed 80—pass with distinction).
Yuen, Lucy:—Shorthand (Speed 80—pass with distinction), Typewriting—pass with distinction.

Royal Air Force Celebrates

R.A.F.A. Hold Dinner at Dome ; All Three Services Represented at Function ; Unique Decorations

Shanghai, Apr. 2.

ON April 1, twenty-one years ago, as the Great War was entering its final stages, there came into being the Royal Air Force as the result of an amalgamation between the Royal Flying Corps and the Royal Naval Air Service. On that day not only were the two units united under one command, but the glorious traditions of the two services were welded together, to be handed down to posterity by those who followed in the uniform of the Royal Air Force. Today those traditions are as strong as ever wherever the R.A.F. pursues its peace-time tasks, and yesterday were kept alive in Shanghai by members of the Royal Air Force Association—many of them former wartime pilots—at their headquarters in the Dome of the Hongkong and Shanghai Bank building where a dinner was given to celebrate the most important day in the history of British aviation.

The dinner which was attended by over 82 members and their guests also marked another important event in the history of Shanghai—the eighteenth anniversary of the formation of the Royal Air Force Association of Shanghai. Chief guests at the function were Group Captain K. S. Aitken, of the Royal Air Force, British Air Attache; Lieut.-Col. R. A. Wolfe Murray D.S.O., M.C., acting G.O.C. British Troops in Shanghai; Major G. E. Swinton, M.C., commanding the 2nd Battalion, The East Surrey Regiment; Major A.W.T. Bonar M.C., commanding the 1st Battalion, The Seaforth Highlanders; and Paymaster Commander E. A. Jolley, O.B.E., Resident Naval Officer. Sir Archibald Clark Kerr, H.M. Ambassador to China, was unable to attend.

A unique note was struck at the function by the "aeroplane hangar" under which the guests sat down to dinner. Round the walls of the "hangar" were hung various national flags while facing the chief table was a picture of the King and Queen. On this table also were replicas of the Royal Air Force emblem, constructed with red white and blue flowers, while in the centre was a propeller, also made from flowers.

The Chairman of the Association, Major P. H. Keys D.S.O., M.C., presided at the dinner and he was supported by the President, Capt. J. E. Badesley, Capt. Sir Victor Sassoon and the following members of the committee: Lieut. L. G. Day, M.M. Vice President; Capt. J. D. E. Shottler M.B.E., A.F.C., Major W. E. Holland, Capt. V. J. B. Holland M.C., Lieut. J. T. Rogers, Major L. A. Whitaker, and Lieut. J. S. Blanford D.S.C.

The first toast, "The King," was proposed by Major Keys, the whole assembly joining in the singing of the National Anthem. This was followed by the silent toast in memory of the fallen, always given when ex-servicemen gather together, and the Air Force Association toast to "Those who have flown." This combined toast was proposed by Capt. Badesley.

Facts and Figures

Proposing the toast of the Royal Air Force, Major W. E. Holland stated: "As it is the 21st anniversary of the formation of the R.A.F., I feel sure you would like to hear a few particulars and figures concerning aviation from its commencement, and particularly as far as it pertains to the services."

Continuing, Major Holland described the first balloon flight in 1783 and recalled that in 1813 a balloon had risen with passengers to a height of 3,000 feet without any particular discomfort to its passengers.

The first mention of a heavier than air craft, he continued, came in 1848, a model of ten feet span and with a 16-horse propeller having flown successfully without human occupants. In 1894 two German officers perfected the kite balloon and from history everyone knew that these machines were used during the Boer War and were highly commended.

As far as modern aviation was concerned, however, 1903 was the most important year, the Wright brothers making their first successful flights. This event occurred on December 17, he added, when they remained in the air for the unheard of time of half an hour.

First Briton to Fly

Following this, he continued, most countries with the exception of France appeared to be sceptical of the possibilities of heavier than air craft but in 1908, improvements having been carried out, a flight of 2½ hours was taken by the Wright brothers, who covered 77 miles.

The following year was remarkable for the fact that the first Briton to fly—Lieut. Col. Moore Brabazon—took to the air in one of the rickety machines of those days. By 1911, Major Holland continued, the first British forces in the air were formed, this being the Air Battalion of the Royal Engineers with one airship company and an aeroplane company with twelve machines.

In 1912 there followed the formation of the C.F.S. at Upavon with 34

officers under instruction and instructing, and in 1913, the Royal Flying Corps came into being with naval and military wings equipped with Maurice Farman Avros and B.E.s.

The year 1914 saw the formation of the first school for observers and at the time the initial personnel of the R.F.C. was Wing H.Q., and seven squadrons of twelve machines each. This strength, he added, was only on paper as it was much later before the squadrons were up to strength. In addition there were a kite balloon squadron, one field workshop at Farnborough (Hants), the airship squadron being handed over to the Navy in 1914.

Early Records

"One interesting item of news at this time," the speaker continued, "was that just after the formation of the R.F.C., Capt. Longcroft flew a B.E. 445 miles non-stop—not a bad performance in those days."

At this time the B. E. held the speed record which was 73 m.p.h. and the climb record which was 3,000 feet in nine minutes. The machine, he added, was fitted with a 70 h.p. Renault motor.

Turning to the Great War Major Holland stated that at the time the personnel of the R. F. C. was stationed as follows: No. 2, Montrose, No. 3, Netheravon, No. 4 between Eastchurch and Netheravon, No. 5 Gosport, with an aircraft park at Farnborough.

On August 11 Headquarters left for Amiens, France and were followed on August 12 by No. 2 under Major Burke and No. 3 under Major Salmond. All machines, he added, flew from Dover to Calais while two flights of No. 4 under Major Raleigh flew direct from Eastchurch to Amiens. On August 15 No. 5 flew direct from Gosport to Amiens, the following machines making the journey: No. 2, B. Es., No. 3, Bleriot, Henri Farman, No. 5, Henri Farman Avros and B. E. 8.

War-time Command

Command in the field, Major Holland stated, was taken over by Brigadier General Sir David Henderson, the personnel and equipment being 105 officers, 63 aeroplanes and 95 motor trucks. At this time the Royal Naval Air Service consisted of 130 officers, 700 petty officers and other ranks, 39 planes, 52 seaplanes (half of which were ready for service) and also seven lighter than air craft.

In 1918, he continued, the Royal Air Force was formed with Lord Rothermere as Secretary of State for Air. Here he added the history of the R.N.A.S., the R.F.C., and the R.A.F. during the Great War was well known and he did not intend to enlarge upon it. At the Armistice the R.A.F. consisted of 27,333 officers of whom more than half were pilots and 263,828 other ranks. Aeroplanes and seaplanes totalled 22,647 and there were 103 airships.

These squadrons were located as follows: Western Front, 99 squadrons plus seven flights, Middle East and India, 14 squadrons plus one flight, Mediterranean, 16 squadrons plus seven flights, leaving a total of 133 squadrons and 15 flights. For Home defence, he added, there were 55 coast and anti-raid stations, 56 training depot station and 19 training squadrons.

Musical Programme

Concluding, Major Holland stated "This, gentlemen, I think you will agree is a wonderful performance considering that it all had to be built up during the worst war in history, and you are all aware of the recent great strides in aviation and the huge enlargement of the R.A.F. With this picture I have given you of the past wonderful achievements of the R.A.F. and as today is the coming of age of the Force I ask you to drink a toast to what I know will be the glorious future of the Royal Air Force."

The toast of "Our Guests" was proposed by Lieut. L. G. Day and was responded to by Group Captain R. S. Aitken. A programme of old war-time songs followed the dinner with solo items by Bandsman Aitken of the Seaforth Highlanders.

Guards of Honour Bid Farewell

Shanghai, Mar. 31.

Shanghai's military units bade Colonel Perretier, departing Commanding Officer of the French Forces here, an impressive farewell at 10 a.m. yesterday, when detachments from all units at present stationed in Shanghai formed a guard of honour on Soochow Road opposite the Rowing Club.

Lined up in the order of the seniority of the commanding officers of the units, a small detachment of French troops, was the first in the saluting line, followed by members of the Russian Regiment, Shanghai Volunteer Corps. A smart detachment of Japanese Blue Jackets from the Naval Landing Party came next, whilst Seaforth Highlanders with bagpipes were one of the most colourful units to be represented. American Marines, in their dress uniforms, and Italian marines wearing steel helmets made up the line. The colonel saluted the flag of each unit and the officer in charge of the detachment, whilst near Chapoo Road the Commanding Officers of the various military forces were standing and shook hands with Colonel Perretier prior to accompanying him to the French Bund. Bordered by considerable curiosity amongst the thousands of Chinese and foreigners who witnessed the ceremony from behind a strong police cordon, were two Japanese orderlies with sub-machine-guns under their arms, who stood near Rear-Admiral Shishiro, Commanding Officer of the Japanese Naval Landing Party, all the time.

A few minutes later, at 10.15 a.m., Col. Perretier, together with his staff officers, took the salute from a guard of honour composed of French Military and Police detachments, lined up on both sides of the French Bund from Rue du Consulat to Avenue Edward VII and, after once more bidding farewell to those who had come to see him off, Col. Perretier boarded a French naval launch and proceeded on board of one of the French warships in port.

The departing officer, who has made many friends in Shanghai during his sojourn in this city, is leaving for Japan on April 2, on a two weeks' holiday, prior to returning here. He will embark in the M.M. liner Jean Laborde on April 25, for his return journey to France.

Departing C. O. is Host

Diplomatic, military and naval representatives at present stationed in Shanghai, together with the members of the two Councils and many hundred prominent members of the local community, were the guests of Colonel Perretier, departing commanding officer of the French Forces, at a most impressive cocktail party held at the French Club on the evening of March 29.

Col. Perretier also introduced Lieut.-Col. Grenier, his successor and Mme. Grenier to the various guests, whilst the French Club band played throughout the duration of the affair.

Lieut.-Col. Grenier Has Brilliant Career

Shanghai, Mar. 31.

Lieutenant-Colonel Grenier, the new Commanding Officer of the French Forces in Shanghai, who took over his command on March 27, from Colonel Perretier, has a distinguished military career.

When the world war broke out, Lieut.-Col. Grenier held a commission as second lieutenant, being promoted to the rank of lieutenant in September 1915 and to the rank of captain in September 1916. In September 1928, he was put in charge of a battalion and was promoted to his present rank in September 1934.

During the world war, he took part in many serious engagements on the French front, for which he was decorated with the Légion d'Honneur and a brilliant citation, together with five other citations. He was injured twice, once in October 1914 and once two years later.

After the armistice, Lieut.-Col. Grenier saw service in Senegal, Mauritania and Dahomey, where he was military commander of the colony and in Indo-China. Meanwhile, however, he took part in several courses including one in aerial aviation and another at Joinville. He is the holder of many decorations and an officer of the Académie Française since 1930.

The health report of the French Municipality for the week ending April 1, shows that the total number of deaths from all causes amongst the foreign and Chinese population in the Concession were—Foreigners 4 and Chinese 177. Deaths from notifiable diseases were—Foreigners: Pneumonia 2, Cerebrospinal Meningitis 1 (Chinese), Tuberculosis 27; Pneumonia 16; Measles 5; Typhoid and Paratyphoid Fevers 5; Cerebrospinal Meningitis 2; Smallpox 2 and Diphtheria 1.

Lone Battalion Men Escape in Fog

Shanghai, Apr. 2.

Taking advantage of a local fog which enveloped the district, three soldiers of the Chinese Lone Battalion, interned in the special camp off Kiao Chow Road on Singapore Road, made their escape on March 31 it was revealed yesterday.

The escape was believed to have been effected round about 7 p.m. when the fog was fairly dense although the method by which the three men eluded the strong guard from the Russian Regiment, S.V.C. which surrounds the camp, has not been ascertained.

Immediately after the discovery of their disappearance a search was instituted but no trace of them could be found. The escape of the three men follows the disappearance from the camp of Pte. Shao Kung-kyi on February 22, the method of exit from the camp proving as baffling as in the former break.

Immediately after the escape, police from Gordon Road were called in to investigate and a thorough search round the eight-foot walls of the camp was instituted for traces of clothing torn by the barbed wire which surmounts the structures or for blood caused by cuts from the wire.

Description Circulated

Descriptions of the missing men have been circulated to all police stations in the Settlement and French Concession but it is doubtful if the soldiers will be apprehended as it is considered that they will be able to find refuge in any Chinese home, where members of the Battalion are considered as national heroes following their stand against the Japanese forces in the Joint Savings Bank godown on Soochow Road during the 1937 hostilities here.

Last summer considerable difficulty was experienced in keeping the inmates of the camp under control as the anniversary of the start of the Shanghai fighting drew near, a riot breaking out over the question of the hoisting of the National flag to commemorate the anniversary. As a result of the riot several members of the Russian Regiment, S.V.C. were injured and three of the interned soldiers were killed.

Distinguished Patron For Variety Show

Shanghai, Apr. 1.

Sir Archibald Clark Kerr, British Ambassador to China, has given his patronage to the Gala variety shows to be held at the Lyceum Theatre on May 16 and 17, in aid of the Milk Fund for Jewish Refugee Children, according to Mr. Henry H. Cohen, who will act as business manager for the two soirees. Mr. Francis G. Gmehling, assisted by Mr. W. H. Widdowson, are looking after the artistic side of the programme which it was understood, will be divided into two parts. The first is a "Variety Show 1930" whilst after the interval a "Variety Show 1939" will be the exact counterpart of the first half of the soiree.

A number of distinguished amateurs have already consented to take part and, in order to assure the complete success of the affair, rehearsals are to begin in a few days.

The soirees are being given in aid of the 300 odd Jewish refugee children, whose diet for the greater part, is composed of milk but who, owing to the fact that no more funds are available for the purchase of this food, will have to go without it in the near future unless sufficient money can be secured to assure a regular supply.

Highway Robber Finds Self in Police Cell

Shanghai, Apr. 3.

One member of a trio of would-be highway robbers was in the hands of detectives from Bubbling Well police station when the gang's attempt to hold up three Chinese pedestrians on Yu Yuen Road, West of Edinburgh Road, shortly before noon yesterday was frustrated as one of the would-be victims realized that the weapon with which he and his friends were being threatened was an imitation pistol.

He raised an alarm and whilst the thugs took to their heels, he called out for help, whereupon a C. P. C. on duty nearby rushed to the scene and apprehended one member of the gang, whilst the other two managed to get away.

Questioned at Bubbling Well station, the arrested man is believed to have revealed the hide-out of his confederates and the arrest of the other two men was expected to be made before many hours.

Italian Coaster Pirated

Shanghai, Mar. 30.

When the Italian captain and his crew and more than 200 Chinese passengers aboard the Italian steamer *Romolo* arrived in Shanghai yesterday morning they were still in a state of excitement, having been robbed of all their cash and valuable clothes the previous day while the boat was on its return trip to Shanghai from Shuangsha along the coast of the Pootung peninsula.

The boat was boarded by pirates in the guise of passengers. By silencing all those aboard the steamer with their guns the pirates ransacked the boat, but fortunately no one was hurt, the pirates having only fired a shot by way of intimidation.

In addition to all the valuable clothing, including fur coats and overcoats, the buccanniers stole 250 bags of cotton worth \$16,000 and about \$4,000 in cash from the foreign captain and passengers.

According to the story told by officers of the Ta Chang Navigation Company, 77 Chao Tung Road near Shantung Road, comrades of the steamer, the pirates, 15 in number, boarded the steamer at about 3.50 p.m. on March 28 when it stopped at Chwangsha for loading cargo, mostly cotton.

Officers Guarded

More than 30 persons wanted to come on board as passengers and as they seemed to be bona fide travellers no objection was raised. Fifteen of them suddenly revealed their true nature when the boat had left Chwangsha for Shanghai. Several of them maintained strict guard on the officers and crew of the boat, pointing pistols and revolvers at them while their confederates began to search for valuables. The search was so thorough going that even leather shoes were taken away from passengers, it was stated. The captain and his assistants were also searched.

When the boat reached Tsungting the leader of pirates suddenly ordered it to stop, firing a shot into the air. He commandeered six junks and ordered his men to transport all the bags of cotton and stolen valuables aboard the pirated vessel to the waiting junks, in which the gang decamped.

The boat had to be anchored at Tsungting overnight, arriving in Shanghai shortly after 8 a.m. A detailed report on the piracy has been sent to the Italian Consulate-General and River Police.

The incident recalls another piracy committed last winter aboard another steamer belonging to the same firm, the *Trapani*, at the same place. In that case the pirates escaped with more than 100 piculs of rice and about the same number of bags of cotton. The mystery surrounding the old piracy is still unsolved.

Alleged Smugglers of Opium Arrested

Shanghai, Apr. 1.

On suspicion that they have been assisting in smuggling and selling opium in Shanghai, two persons, Feng Tien-pao and Feng Chuen, are being detained by the Second Special District Court in connection with the recent seizure of \$5,000 worth of opium by the French police. The French police are trying to arrest the leader of the gang who is alleged to have maintained close connections with opium dealers in Yunnan.

The man at large is alleged to have secretly transported 72 cans of opium from Kunming through the Post Office and the second suspect who lived in the French Concession was alleged to have been asked to take out the cans from the Post Office. In appearance the cans were like those ordinary ones containing foodstuffs but some alert Customs officers opened one of them and discovered that they contained nothing but 360 ounces of opium.

The French police first arrested the second suspect and then the first one who lived at 481 Rue Conty. It has not been revealed as to what part the first suspect had played in the business but it was that the leader of the gang had not been arrested.

It would appear that the local opium sellers have been doing good business by cooperating with their agents in Yunnan where the drug is abundantly produce. Not long ago a similar case was dealt with by the First Special District Court. The men sentenced by the Settlement court were found to have smuggled opium also from Yunnan the drug being hidden in Chinese medicine packages. They were accidentally discovered by the Chongtu Road police while they were trying to transport several pounds of opium in a motor car.

Hospital Problems In 1938

Institutions Evacuated Through Fighting Still In Temporary Premises ; Epidemics Combated

HOSPITAL difficulties during the year are described in the annual report of the Commissioner of Public Health for 1938. According to the report, the year 1938, similarly to 1937, produced numerous hospital problems in connection with epidemics. All Municipal Hospitals, which had been evacuated during the first week of the Sino-Japanese hostilities 1937, were forced to remain in temporary premises, since the areas in which they were originally situated were still under Japanese military occupation. The Gaol, however, not having been evacuated, reached normalcy during the early months of 1938.

At the beginning of the year, the measles epidemic was fully under control, and the disease waned completely at the end of the winter season.

The epidemic of measles was followed by one of typhus fever and almost simultaneously meningococcal meningitis attained epidemicity. At the onset of the summer season, cholera made its appearance and rapidly became epidemic. Further extensions were erected at both branches of the Chinese Isolation Hospital providing a final accommodation of 1,000 beds which were filled almost to capacity throughout the summer. An epidemic of smallpox commenced in October and again it was found necessary to alter the existing accommodation in order to adopt it for winter use.

The Tuberculosis Sanatorium was re-opened in temporary premises in the old wing of the Shanghai General Hospital in May, but accommodation was still somewhat limited at the end of the year.

The Nursing Staff, which had been accommodated in a temporary "Nurses Quarters" (Kinnear Road) and in some of the hospitals, were, with few exceptions, eventually placed in the Victoria Nurses Home and the Sanatorium Staff resided in quarters allotted by the Shanghai General Hospital. It was necessary to engage temporary medical and nursing staff throughout several of the epidemic periods but such temporary employees were released as early as feasible.

The end of the year showed that sufficient accommodation was available for any type of epidemic amongst the Chinese population and further extension of the accommodation available for foreigners was being prepared.

The total number of cases admitted to the Isolation Hospital (Foreign) during 1938 was 211 as compared with 353 in 1937. Amongst the admissions 132 were Foreigners and 79 Chinese. There were 12 deaths among the former and 26 among the latter, most of whom were suffering from meningococcal meningitis. In the Isolation Hospital for Chinese, there were five epidemics which occurred in the following sequence: in asles, typhus fever, meningococcal meningitis, cholera and smallpox.

The epidemic of smallpox was still increasing at the end of the year. Admissions totalled 14,276 as compared with 5,949 in 1937. During the Summer the accommodation of each of the two hospitals was increased to 500 beds by increasing the number of mats. Two of them were adapted for winter accommodation towards the end of the year to accommodate smallpox cases. For the first time, medical students (final year) were permitted to work under supervision in the Isolation Hospital and proved to be of great assistance whilst obtaining most valuable experience on their own account.

Mental Hospital.—Mental patients were accommodated in the Mental Wards of the Russian Orthodox Confraternity Hospital. Tuberculosis Sanatorium.—The temporary Tuberculosis Sanatorium was opened at the General Hospital on May 5, 1938, with an accommodation of 24 beds. Patients who had been temporarily accommodated at the Country and Police Hospitals were transferred to these wards. Tuberculosis Clinic.—The activity of this Clinic shows a slight decline as compared with last year. There were 81 new registrations and 1,484 total attendances against 140 and 1,549 in 1937.

District Nursing and Tuberculosis Visiting Service.—The work of the District Nurse proceeded along the same lines as last year. 4,082 visits were paid to the homes of sick people. Cases treated included whooping cough, measles and chicken pox. Milk and cod liver oil were given to children who appeared to be in danger of developing tuberculosis and to families where children were underfed. Municipal Police Hospital.—There were 2,448 admissions including 323 Indians, 157 Chinese prisoners, 4 civilians and 190 Chinese soldiers of the "Lone Battalion" from the Concentration Camp in Singapore Road. The majority of the latter were admitted for beri-beri or for injuries. No convicts were admitted from Ward Road Gaol. The Out-

patient Department registered 25,032 attendances against 21,342 last year. There were 55 deaths.

Municipal Primary Schools for Chinese only.—School Medical Service activities in this group of schools were carried out during 1938 under circumstances of considerable difficulty, owing to the scattered locations of the eighth primary schools for Chinese, the "double-session" system of pupils now in force, and shortage of staff. A gratifying innovation during the year was the provision by the Education Department of a Medical "Clinic" room in each Municipal Primary School for Chinese, which has proved to be a very great convenience to both the School authorities and the School Medical Service.

During the year 1,341 pupils received individual Medical Inspection by the Chinese Assistant School Medical Officers—an increase of 564 on 1937 and 277 on 1936. This important branch of School Medical Service activities has, however, been hampered by diversion of the examining Medical Officers to other duties. During the year School Clinics were held daily (during School terms) in each Primary School for Chinese. Total attendances were 6,064 or an increase of 2,627 on 1937 (Clinics interrupted due to hostilities) and 1,391 on 1936. This gratifying increase is largely due to the provision of a "Clinic Room" in the School premises, and also to improved co-operation with the School authorities.

Trachoma Clinics

Trachoma Clinics were re-opened by degrees early in 1938 and are now held regularly in all Municipal Primary Schools for Chinese, but owing to shortage of both medical and nursing staff progress in this section has been slow.

During June-July, a campaign of voluntary T.A.B. inoculations was carried out in the Municipal Primary Schools for Chinese. In December a further campaign of voluntary T.A.B. inoculations was inaugurated—this course entirely free. This campaign course being entirely free. This campaign is still in progress. The scheme of notification to parents of any defects found at the examination of their children or of any disability which would warrant the exclusion of pupils from school, etc., remains the same as in previous years.

"Home Visiting Service" continues to be a very important factor in the attempted control of infectious diseases in schools. By the discovery of infected children in the homes it is possible to debar such cases from returning to school within the quarantine period, and thus prevent the indiscriminate spread of infection throughout their respective classes.

During the year 352 cases of communicable disease were dealt with in the Primary Schools for Chinese, of which the great majority were first discovered during "Home Visits" by the school nurses. This figure is identical with that for 1937 and is no doubt accounted for by the fact that a large number of pupils now attending Primary Schools for Chinese reside outside Settlement limits and therefore cannot be visited by school nurses—a new situation which holds elements of danger which cannot be overlooked.

Grant-Aided Chinese Private Schools

During 1938 there were 149 Chinese private schools on the grant-in-aid list as compared with 217 for the previous year. Overcrowding became very serious during 1938—especially during the autumn term. By various means of re-arrangement of schedules, adjustment of classes and/or taking into use extra accommodation a number of schools eventually succeeded in complying with the Council's minimal requirements of air and floor space per capita, but some schools still remain seriously overcrowded.

As most schools expanded during the year, sanitary installations had also to be increased or even in some cases complete new lavatories constructed to serve the increasing numbers. 32 new sanitary installations were made during 1938 and a large number of improvements to existing accommodation carried out. Several



Military Wedding at the Cathedral

The wedding took place on March 31 at Holy Trinity Cathedral of Captain E. A. Smyth, R.A.M.C., of the British Military Hospital, and Miss Elizabeth McCrea, of Queen Alexandra's Imperial Military Nursing Service. The Senior Chaplain to the British Forces in Shanghai, the Rev. J. N. L. Bryan, officiated. The bride was given away by Major McKenzie, R.A.M.C. Her bridesmaid was Miss H. F. Kilroe, R.A.M.N.S., and the best man was Rev. J. A. Williamson, Chaplain of the Seaforth. After the ceremony a reception was held at the British Military Hospital Sisters' Quarters at 41 Kinnear Road. The honeymoon will be spent touring in Japan.

Four Burn to Death In Down-Town Fire

Shanghai, Mar. 29.

Four persons lost their lives and one was injured in a rapidly-spreading conflagration which broke out in a printing shop at the corner of Hankow and Kwangse Roads shortly before 5 a.m. yesterday, whilst seven buildings were completely gutted and six others suffered considerable water damage. It was only due to the most efficient work on the part of the Shanghai Fire Brigade, that the densely built-up adjoining districts were saved from the flames and that the fire was actually brought under control in less than half an hour, although fire-fighters were on duty until about noon.

The fire started on the ground floor of the single-storeyed building were unable to escape and were burnt to death. The other two corpses were found in the debris, when a search was made after the fire had been put under control.

As soon as the fire had been detected, an alarm was raised and people living in adjoining houses were roused and thus found it possible to escape, in some cases even bed-clothing and pieces of furniture being saved.

The gutted buildings were many years old, although the fronts had been renovated and thus gave the impression that they had only been built recently. For the greater part, they contained shops in the ground floor whilst the top floors were used as dwellings.

At certain moments, the Dah Wu Dai Theatre on Hankow Road threatened to become a blazing inferno, but the prompt action on the part of firemen in utilizing the theatre's fire-fighting equipment to water the walls nearest to the burning houses, prevented this.

new installations on a larger scale under Public Works Department supervision were in hand at the close of the year.

Constant supervision of schools is necessary in order to ensure continuance of efficient cross-ventilation—especially during 1938 when so many schools took into use extra classroom space.

The improvement noted in 1937 in the standard of adequate service of potable water and use of individual cups by pupils has not been maintained during 1938. An adequate supply of boiled water suitably served now exists in approximately 70 per cent. of the schools at present on the grant-in-aid list, and the provision of individual drinking cups by pupils is still less satisfactory, particularly during the Autumn term.

There are at present 23 schools on the grant-in-aid list receiving boarders in numbers ranging from a few only to 400 per school. In the majority of these schools the living conditions of the boarders leave much to be desired. Bedrooms have been found to be practically invariably overcrowded, insufficiently ventilated and often deficient in cleanliness, whilst the school kitchens were in many cases unhygienic and insanitary. It is hoped to investigate these matters further at an early date.

WEDDING

Harris—Little

Shanghai, Mar. 30.

The wedding took place yesterday afternoon at Holy Trinity Cathedral of Mr. Nigel Mayne Wilfred Harris, eldest son of Dr. and Mrs. Wilfred Harris, of Chester Terrace, Regent's Park, London, and Miss Marion Lawrence Little, second daughter of Mr. and Mrs. H. Martin Little of Shanghai. Dean A. C. S. Trivett officiated.

Mr. R. V. Dent was at the organ, and during the first part of the service rendered Rowley's "Benedictus" and Wagner's "Bridal Chorus," the wedding procession leaving the church to the music of Mendelssohn's "Wedding March."

The bride, who was given away by her father, wore a Worth model gown of French silver brocade, fitted closely to the figure on princess lines, the long skirt made with a Court-length train. The bodice was in closely swathed sheu fashion from the shoulders, the two sides crossed and twisted in front and carried behind to fasten at the back. The sleeves, slightly full at the shoulders, fitted closely from the elbow and were finished at the wrists with small buttons of the brocade. Her very long and full veil, of soft tulle with a narrow edging of silver, fell from a small tiara of orange blossoms. She wore a diamond and platinum pendant and carried a sheaf of white lilies and fern. The bridesmaids were the Misses Helen Martin Little (sister of the bride), Jean Kale, Doreen Bowden, Brendon Parsons and Lynette Phillips. They wore Maggy Rouff model dresses of ivory brocade satin, cut straight in front from neck to hem and slightly gathered at the bodice. The skirts were fastened to the bodice at the back in cartridge pleating which gave rich full folds to the satin. Rolled collars softened the square neckline and the long sleeves were puffed at the shoulders and shirred. Short veils were held in place by small silver flowers and their posy bouquets were of ivory sweet peas surrounding a coloured centre of the same flowers. The Misses Clemency and Hillary Mann acted as flower girls in plain white tribute satin long-skirted frocks, made in the same style as the bridesmaids' but with short puffed sleeves. The little silver flowers were on their heads, and they carried tiny posies to match the bridesmaids. Mr. James W. M. Martin was best man, and the ushers were Messrs. D. B. Carter, R. H. Wallace, N. J. Stabb, A. M. Kennedy and F. R. L. Carey.

The bride's mother wore a frock of pale grey French crepe georgette made on straight, slender lines and buttoned at the back, the sleeves being long and winged. The rounded collar and lower part of the skirt were embroidered in soft blue chenille. Her picture hat was of silvery grey crinoline encircled with a long blue ostrich feather and she carried a bouquet of pale pink carnations.

After the ceremony a reception was held at the Country Club. The bride was away in a suit of handwoven bouclé wool, the grey and wine striped jacket worn with a grey skirt, and the wine suede vest finished with a grey zipper. Over it was worn a long straight coat of the grey bouclé. Her hat was of grey antelope felt trimmed with wine-coloured ribbons. Bag and shoes were in wine-colour, and her gloves were grey and wine. The first part of the honeymoon is to be spent skiing in Norway, after which Mr. and Mrs. N. M. W. Harris will go on to England.

During 1938, the hostilities greatly increased the call on the services of this Society for with the heavy increase in the population and the hordes of needy refugees in our midst, there came a much larger number of unclaimed or unwanted dead to be cared for. Over 60,000 unclaimed bodies were given a decent burial and free coffins numbering nearly 23,000 were provided. This is a work of mercy, but it is also one of necessity to see that these bodies are collected and buried before they become a menace to the health of the community. This work is carried on with the co-operation of the Shanghai Municipal Council and the French Municipal Council. The list of public hospitals and charitable organizations to whom help has been given is too long to be given here, but it comprises most of the well known charity organizations in the city. It is to be noted that the refugee camps and hospitals have received valuable help in the burial of unclaimed dead.

An analysis of the report shows that, as in former years, the bodies of infants were the most numerous in the Cemetery's work, the totals being 15,099 in coffins and 29,493 in matting.

This Benevolent Society is only able to carry on this essential service for the community by grants and individual public donations; and this brief report of the work done in 1938 is also an appeal for the continued help of old subscribers and the addition of many new subscribers to this work of necessity and mercy. The office of the Society is at 210 Pakhoi Road where donations can be sent and sums, large and small, will be thankfully received and acknowledged.

New Language School Opened

Shanghai, Apr. 3.

The New Chinese Young Men's Association of Shanghai, which was organized two months ago, started its social activities by opening a Chinese and Japanese language school in the association hall, next to the Japanese consular police sub-station on North Szechuen Road, on April 1, the Tairiku Shimpō said yesterday.

Japanese and Chinese will be taught in six-month courses. Thirty Japanese and 40 Chinese youths and girls were enrolled in the school during the first period of instruction. The teaching staff comprises two Japanese and three Chinese instructors. Some of the Chinese students enrolled to learn the Mandarin dialect.

About 100 students of the Reformed Institute will be graduated in commencement exercises to be held on April 5, after which they will be sent to Nanking to receive practical training for two months under the direction of the Young Men's Association there before they are assigned to political duties, the Tairiku Shimpō also reported.

After their period of training in Nanking the graduates will be sent to various parts of China. They recently returned from a tour of Japan.

Public Cemetery's Record Year

Shanghai, Mar. 29.

The Shanghai Public Benevolent Cemetery was founded 26 years ago when Mr. Wong Ching-Sung, a native of Southern Anhwei, interested a number of prominent citizens of Shanghai, and the Society was formed and all through the years it has met the need for free coffins and free burial in and around Shanghai.

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Supt. Crouch Presents Bowling Trophy

Shanghai, Mar. 28.

Mr. R. J. Crouch, retiring Superintendent of Police who is leaving Shanghai on March 31, donated a trophy for the outstanding singles player within its organization, to the Bubbling Well Lawn Bowls Club, at a simple ceremony held yesterday.

The trophy, a beautiful silver cup, will be played for once every year, the winner for three consecutive years being then entitled to keep the handsome prize.

Mr. Crouch was one of the most popular members of the club and has on various occasions won different championship events. With his departure, local lawn-bowl circles will find a distinct gap in their ranks.

IN THE RUSSIAN COLONY

By "Smov"

Shanghai, Mar. 27.

Australia and Canada are two jewels in the British Crown that have a hypnotic attraction for Russians, among them Russians in Shanghai. Nearly every large vessel from Canada docking here returns stow-aways to the city from where they started their illegal journey, and in spite of their unenviable example—when caught they are given the most menial and unpleasant tasks and in Canada are held behind the bars of the Emigre House—attempts to get into the Dominion by hook or by crook are unceasing. Ships to Australia, however, carry Russians with passports and visas in complete order.

The majority of Russians in Australia must, perforce, live on the plantations, but the more financially stable percentage, partially composed of former Shanghaiers, has managed to settle down in the cities. At first they found life there strange and difficult, but in time they accustomed themselves to their new surroundings and conditions and at present are highly pleased with life. Russians in Australia are especially fond of Sydney. The editor of the periodical "The Path of the Emigre" writes: "I have yet to meet a Russian who is not in love with Sydney, and of this devotion the city is truly worthy."

Like their compatriots in Shanghai, Russians in Australia are engaged in whatever work they can find. They own farms. They work in the fields and in large industries. They are doctors, teachers, traders, professional sportsmen, different kinds of technicians. They earn their living as walking libraries, tailors, waiters, maids, seamstresses, laundresses, cooks, carpenters, photographers, chauffeurs, regents of choirs, cattle-drivers, fruit-peddlers. They do many other things for their daily bread, but most of them do something.

Pleasant Conditions

Most of them, too, are by now naturalized Australians, although quite a large percentage remain people without a country. Sydney is a city with a quota of wealthy Russians but must live on their wages or salaries. Nearly all have flats of two or three rooms, and no one starves. Extremely heterogeneous socially, culturally and in their political sympathies, they are former officers and functionaries of Imperial Russia, former merchants, Cossacks, experienced agriculturists.

As regards their intellectual life, opinion holds it to be not only worse than in Europe, but worse than in any other Russian emigre centre in the world over. In Australia highly educated Russians are few and far between and the ruling interests are dancing and the cinema. Russians are rapidly merging with the native population. Conversation is studded with English words and expressions, youths often do not speak Russian at all, and Father Serishev complains that he must with increasing frequency hold confessions with Russian youngsters in the English language. But in spite of this, all those who have left for Australia are more than satisfied with their new life and those who hope to make that journey complain of the increasing difficulty to get the right of entry into that country.

After his concert at the Lyceum, Master Vladimir Havsky, Shanghai's musical prodigy, told interviewers that not for a moment was he subject to stage-fright, probably because from early childhood he had imbibed the atmosphere of public concerts. Havsky's father, a graduate of one of the most exclusive law schools in St. Petersburg and in all Russia, was forced after the revolution to teach music and became a professional pianist. His son gave his first concert when only six years of age. Young Havsky admits that he likes to play before an audience, and the sight of a full house always inspires him. Asked what he would like to be in the future, he replied without hesitation that his ambition is to become a composer. "In this way," he explained, "I would be able to give form to my own thoughts and moods. Most of all, I'd like to compose a concerto for a piano with orchestra." With laudable modesty he stated that although he likes to improvise on the piano he is yet unable to write down the music that comes into his head. In a year's time Master Havsky is leaving for abroad and his greatest desire is to meet the great Sergei Rachmaninoff and play for him.

First Financial Profit

At the annual meeting of the members of the ex-Officers' Club a new Board of Directors was elected. In spite of the stiff requirements for would-be members, the membership of this veteran organization continues to grow. At the end of 1937 the Club had 12 members, while at the end of 1938 the number grew to 165, marking an increase of 41 members. Receipts at the bar and dining room composed \$45,323, and for the first

time in its history the Club concluded the year with a financial profit. During 1938 the Club decorated its interior, improved its furniture and opened a new reading room.

Following a serious illness, Mr. I. J. Shlaef, one of the oldest Far Eastern Russian journalists, underwent an operation and lost both his legs. To help him his colleagues in local Russian newspapers and members of the theatrical and musical world organized on March 26 an evening at the Russian Club with an interesting artistic programme. The public responded most generously, and the proceeds realized a sum that will be of sorely needed help to the unfortunate journalist when he leaves hospital.

In spite of the increased cost in paper and typographical work, Shanghai continues to be the world centre for the publishing of Russian books and magazines, which are printed here in even greater numbers than in Paris. Lately a number of new novels, collections of poetry, medical and historical works have been published, in addition to which the Russian colony prints many magazines which are distributed not only over the Far East but among Russian emigres in Europe and America.

A Worthy Institution

The traditional "Hungry Friday" organized annually by the Women's Committee of St. Tichon Zadonsky's Orphanage will on March 31, undoubtedly meet with wide response both among Russians and among other foreigners in the city. The publicity given in the press to this worthy institute could create the impression that the Orphanage is financially completely provided for, an impression which is quite erroneous. The Associated Charities Committee does give a subsidy, but this covers the expenses only in a small measure. Contributions have fallen off, and the Orphanage today exists only with the help of the monthly donations made by those who do not cease to support it, and by means of lotteries, special collections, etc. "Hungry Friday" is meant to improve the sorry state of its fund. On this day, as it is known, ladies are doing duty in various parts of the city with acceptance of donations of money or anything else that will help to support this Orphanage where 128 children from a few months to 16 years of age are today living.

On Monday the former artillery officers of the Russian Imperial Army commemorated the founding of the Artillery School, the best of its kind in Russia, which was formed in honour of His Imperial Highness Grand Duke Constantine. On Sunday a requiem service was held in memory of those who fell on the field of war, while on Monday, March 27, a dinner was given at the ex-Officers' Club. An interesting lecture by Dr. P. F. Orloff entitled "A Short Sketch of the History of Russian Medicine" was given last Thursday at the Russian Club.

Archbishop Victor, Head of the Russian Orthodox Mission in China, left Shanghai last week, sailing for the north. On the morning of his departure the Archbishop commenced the service in the Russian Cathedral, but soon gave its conducting over to Bishop John, and on leaving the church blessed the congregation and gave the Russian colony his best wishes for a merry Easter. The Archbishop was seen off at the dock by numerous representatives of various circles and by heads of the colony's main organizations.

Russian Musicians Leave

Ten Russian musicians, headed by Maestro A. G. Bershadsky, leader of the orchestra at the Cercle Sportif Français, have received an invitation to play at one of the best hotels in Singapore, and on March 23 left Shanghai for that port. Arriving in Harbin from Russia 15 years ago, Mr. Bershadsky has since then played in the Hotel de Pekin and in the best local cinema houses during the days of the silent movies, has toured Java, was in charge of the musical production of a local broadcasting station, and for four years led the orchestra at the Astor House. There are many prominent musicians in the orchestra who have left with him for Singapore, and Mme K. T. Sitnikova, the Opera star, is also one of the party.

The recent Tag Day in aid of the Home for Aged Women has yielded the money necessary for the support of this useful organization. With a capacity for 15 people, the Home at present has 30 old Russian women, with beds standing in the corridor. Most of them are educated and intelligent women who came to this refuge when they found themselves alone, without friends or acquaintances, in a strange city.

Mr. M. Anastasieff, an old teacher who has long been active in artistic work, has arrived here recently from Harbin. Graduated from the Imperial Artistic School, Mr. Anastasieff became in 1900 Director of an artistic-industrial College. In addition to his teaching profession Mr. Anastasieff was always active in social work, and during the Revolution, in 1918, even held the post of Minister of Education in the Ural provisional government. In Harbin since 1920, Mr. Anastasieff was Inspector of Municipal schools and Principal of the First Irish School in that city. Shortly after his arrival here Mr. Anastasieff commenced a series of lectures on the history of Art, held in the studio of the artist Mr. M. A. Kichigin.

OBITUARIES

Mr. Isaac Mason

Shanghai, Mar. 30.

Many of the older residents of Shanghai, and many in Mission circles throughout China, will learn with regret of the death very suddenly, at Worthing, England, on March 28 at the age of 69, of Mr. Isaac Mason, a prominent worker in this country for many years under the Friends' Service Council.

Born in Leeds, Mr. Mason, as a young man of 22 came out to China as a missionary under the Friends' Society in 1892, and was engaged in pioneer work in Szechuen, being first stationed at Chungking and later at Suining and Tangchuan. Rapidly acquiring the Chinese language, Mr. Mason became an ardent student of Chinese literature, and was soon noted for his work as a translator, his many small booklets being of considerable service to his co-workers in the Mission field. He will also be



Mr. Isaac Mason

remembered for his long association with evangelistic work among the Chinese Moslems.

After the World War and until his retirement to England in 1932, Mr. Mason was on the staff of the Christian Literature Society in Shanghai, where his services as a translator were highly valued.

Other Activities

In addition to his work as a translator, Mr. Mason found time to devote to other activities. He was long associated with the work of the Royal Asiatic Society in its various branches, and was a past vice-president of the organization. He was a member of the Union Church, and with Mrs. Mason was a regular attendant at the Church services and was keenly interested in the varied department of Church work, his wise counsel being greatly valued by those who were brought into contact with him.

An authority on Chinese literature and lore, and on the political history of the nation, Mr. Mason was for some years a frequent contributor to the columns of the "North-China Daily News," his sane outlook on political and social questions being one of his marked attainments.

Mr. Mason will also be remembered as a keen member of the Shanghai Lawn Bowls Club, his quiet game and jovial fellowship on the lawn being keenly appreciated by his fellow-members. Many of the latter will be interested to know that Mr. Mason continued his favourite game at Worthing, where he was recognized as a player to be reckoned with.

Active Worker to the End

Leaving Shanghai in 1932, Mr. and Mrs. Mason settled at Worthing, in Sussex. Though retired from active work in China, Mr. Mason was not content to lead a life of complete ease. He was a member of the Board of the Free Church Council in England, and frequently did deputation work in various parts of the country, one of his last public functions being to attend a Free Church Conference at Bradford.

Mr. Mason is survived by his wife, resident at Worthing, and three married daughters—Mrs. H. J. Mentor, Mrs. W. J. Russell, and Mrs. H. E. Aiers—the two first-named being at present in Shanghai, while Mrs. Aiers left Shanghai with her husband on March 28 on home furlough.

Mr. Mason was in 1900 Director of an artistic-industrial College. In addition to his teaching profession Mr. Anastasieff was always active in social work, and during the Revolution, in 1918, even held the post of Minister of Education in the Ural provisional government. In Harbin since 1920, Mr. Anastasieff was Inspector of Municipal schools and Principal of the First Irish School in that city. Shortly after his arrival here Mr. Anastasieff commenced a series of lectures on the history of Art, held in the studio of the artist Mr. M. A. Kichigin.

Dr. John A. Silsby

Shanghai, Apr. 3.

News has been received in Shanghai of the death in California of Dr. John Alfred Silsby, for many years a missionary under the Board of Foreign Missions of the Presbyterian Church of U.S.A.

Dr. Silsby came to China as a young man in 1887 and spent 41 years in educational work, being stationed in Shanghai for the greater part of this time as principal of Lourie High School. Many former students of Mr. Silsby now occupy important positions throughout China.

In addition to his educational work, Dr. Silsby was interested in the preparation of books which would make study easier for those who were acquiring a knowledge of the local dialect. He served on the committee which translated the Holy Bible into the Shanghai dialect and collaborated with Dr. H. Davis in the preparation of a Chinese-English dictionary. He also served on the committee which published the English-Chinese dictionary in the Romanized version in addition to writing many pamphlets.

Dr. Silsby was married in 1889 to Miss Annie Moore of Long Island. In 1928 after more than 40 years service in China Dr. and Mrs. Silsby retired and made their home in California where Mrs. Silsby survives her husband. He is also survived by his daughter, Mrs. Robert C. Cross and three grandchildren.

Mr. Maurice Heidler

Shanghai, Mar. 29.

Funeral services for the late Mr. Maurice Heidler were held yesterday afternoon at the Chapel of the International Funeral Directors on Kiochow Road, under the auspices of the Spanish-American War Veterans. Chaplain R. R. Marken of the United States Fourth Marine Corps conducted the religious service in the Chapel and at the graveside. The deceased had lived in Shanghai for the past twenty-two years and he died after a brief illness at his residence on March 24. He is survived by his widow, Josephine Heidler, and daughter, Pauline, who were the chief mourners. The flag draped coffin was carried to its last resting place in the Bubbling Well Cemetery by Messrs. R. C. Phillips H. F. Parks, L. Henkey, R. Cetti, Chas. Pierce and W. Tornroth.

Mrs. Anna P. van Stellingwerff

Shanghai, Mar. 29.

In the presence of a number of relatives and friends, the remains of the late Mrs. Anna Petronella van Stellingwerff were laid to rest yesterday afternoon at the Bubbling Well Cemetery. Father Adrian Sansbury, S.J., of the Church of Christ the King, carried out the last rites according to the Roman Catholic faith. Mrs. van Stellingwerff was the oldest Netherlands resident in Shanghai, having lived here more than thirty years. She was the widow of the late P. J. J. van Stellingwerff of the Chinese Maritime Customs, who died at Shanghai in 1916. The deceased died at her residence on March 24 at the age of seventy-eight years and is survived by a daughter, Katie van Stellingwerff, and four sons, Peter, Cornelius, John and Henry van Stellingwerff. The pallbearers were Messrs. J. van den Berg, of the Netherlands Consulate, J. Flanery, A. M. A. Hansen, and three sons, Peter, John and Henry van Stellingwerff. A beautiful heart of violets from "Katie" was lowered on the coffin into the grave.

Miss May Joyce Madar

Shanghai, Mar. 29.

Funeral services were held yesterday afternoon at the Bubbling Well Cemetery for the late Miss May Joyce Madar, the daughter of Mrs. Sarah Madar and the late Mr. O. A. Madar, with Deena A.C.S. Trivett of the Cathedral officiating. The late Miss Madar comes from a well known Shanghai family who have made their name amongst the leading sportsmen of this city and who have represented Shanghai on many occasions in import cricket, football, and lawn bowls, and who have taken a prominent part in other major activities. Miss Madar is survived by her mother and sisters, Mrs. E. A. Berthel, Mrs. W. T. Manley, Mrs. P. O'Neill Dunne, Evelyn, and six brothers, Fred, George, Charles, Patrick, Thomas and Harry A beautiful sheath of white lilies was lowered into the grave with the coffin that was borne to the grave by Messrs. E. A. Berthel, L. Perkins, B. A. Shirazee, W. S. Lomborg, R. E. Manley and J. T. Semchenko.

Mr. Clare Dundan Dudley

Shanghai, Apr. 3.

In the presence of a group of friends, funeral services under the auspices of the Shanghai Commandery No. 1, Knights Templar, were held yesterday afternoon at the Chapel of the International Funeral Directors on Kiochow Road. The deceased had been in Shanghai for the past six months with his wife visiting their

PERSONAL NOTES

The Swedish Minister and Baroness Johan Beck-Frisz left on March 29 in the ss. Potsdam for a vacation in Sweden.

Mrs. C. Rabenau arrived in the ss. President Coolidge on April 1 to make her home with her son, Mr. L. M. Manor, an official of the American President Lines.

Among the passengers who arrived in the ss. Chitral on April 2 were Mr. B. P. Lalacaca, who is returning after spending a few months in Europe and India.

Mr. and Mrs. A. G. N. Ogden left for England on home leave on March 28 by the P. & O. ss. Canton. During Mr. Ogden's absence, Mr. G. V. Kitson will act as H. M. Superintendent Consul.

Amongst the forthcoming marriages announced in Hongkong is that of Mr. Eric Russell Wang, chartered accountant, Messrs. Lowe, Bingham & Matthews, and Miss Dorothy Olivia Dransfield, of No. 20 Broadwood Road.

Signor Luigi Cortese, the Italian Minister in Manchoukiao, is to leave for Rome for a series of conferences with the Italian Government, according to reports from Changchun. He is travelling via Japan and the United States.

Mrs. F. Pereira, widow of the late Mr. Frank Pereira, former Hongkong Interport cricketer, arrived in the Colony with her two children on March 19 by the French liner Chenonceaux. She is now in residence in Kowloon.

Among the passengers who left on April 2 in the Canadian Pacific liner, Empress of Asia, when she left Shanghai for Vancouver and way ports, were: Mr. W. H. Evans-Thomas, Mr. P.R.M. Wallis, Dr. R. Angelson, and Mr. J. O. Drysdale.

At a recent meeting of the committee of the United Services Association Shanghai, (The Great War 1914-1918), Mr. A. H. Atkins was elected Chairman of the Committee, Mr. S. Tweedie, Hon. Treasurer, and Mr. Albert Pullen was re-elected Hon. Secretary for the ensuing year.

Mr. O. B. Perkins, Chief Inspector of the Shanghai Municipal Police, Mrs. Perkins and their two children left on March 28 aboard the P. & O. liner Canton and will spend their home-leave in England. They are expected to return to Shanghai in about six months' time. Mr. Perkins was in charge of Bubbling Well Police Station.

Col. V. R. Burkhart, D.S.O., O.B.E., G.S.O.1 at Hongkong, who is retiring from the service, left Shanghai for Hongkong on March 28 in the P. & O. ss. Canton after saying good-bye to his many friends in Shanghai. Col. Burkhart will spend a few days in Hongkong and will then leave for England. Lieut.-Col. Grimsdale, his successor, also left by the same vessel for Hongkong.

The American President Lines announce the arrival in the ss. President Coolidge on April 1 of Mr. J. M. Major, Assistant Comptroller of the Line. Mr. Major is returning to this port from home leave and will again be stationed in Shanghai. Also aboard the same steamer, will be Mrs. W. G. MacDonald and daughter, who are likewise returning from an extended home leave to join Mr. MacDonald, an official of the American President Lines.

A STATEMENT showing receipts and disbursements in respect of the entertainment voluntary levy, as at February 28, 1939, follows:

RECEIPTS	
Balance at credit on January 1, 1939	\$35,647.24
Amounts received from January 1 to February 28, 1939	53,772.53
	\$91,419.89
DISBURSEMENTS	
(January 1 to February 28, 1939)	
Grants to relieve organizations	\$48,200.00
Proportion of hospital expenditure directly attributable to refugees	10,055.73
Shanghai and children's camp	1,137.00
Cost of drugs, medicines, etc., supplied to various refugee camps	2,066.50
Cost of additional staff engaged on refugee work and labour for clearing camps	12,547.34
Balance at credit on February 28, 1939	17,431.62
	\$91,419.89

son, Mr. D. C. Dudley. After a brief illness he passed away here on March 30 at the age of 56 years. Mr. and Mrs. Dudley had planned to return to their home at San Francisco shortly. A number of the members of Shanghai Commandery No. 1, Knights Templar, and The Order of the Eastern Star, were present at the last rites. The deceased's remains will be cremated.

REPORT No. 13/1939 for week ending March 31 (Friday), compiled by the Shanghai Stock Exchange

German-Slovak Clearing Agreement

German-Slovak Clearing Agreement

Agreement

Berlin, Mar. 28.

The text of the German-Slovak clearing agreement, which was concluded on March 23, was published here yesterday. The agreement was signed by the Secretary of State in the German Foreign Office, Herr Keppler, at the authorization of the Foreign Minister, Herr Joachim von Ribbentrop, and by the Slovak Premier, Dr. Joseph Tiso, vice-Premier Bela Tuka and Foreign Minister Ferdinand Durcansky.

Although the agreement will not become effective until the documents of ratification are exchanged in Bratislava, it has been provisionally in force since March 23. Provision was made therein for the regulation of clearings through the German Clearings Bank and the Slovak National Bank, which is to be founded in Bratislava.

The agreement covers all ordinary commercial trade between the two countries but does not apply to transit or overseas traffic.—Trans-Ocean.

Japan Follows London On War Risk Rates

Tokyo, Mar. 31.
Marine freight insurance rates

The freight insurance increase was decided upon in keeping with rates adopted by the London Marine Insurance Union, which has raised its rates from 50 sen to 75 per ¥.100 for goods transported between Europe and the Far East in either direction.

The new Japanese freight insurance tariff has been increased from 25 sen to 37½ sen per ¥.100 for goods shipped to or from Europe via the Mediterranean, and from 20 sen to 32½ sen per ¥.100 for goods transported to or from Europe via the Panama Canal.—Domei.

Interest Lowered by

Tokyo, Apr. 2.

With the expansion of its note issue limit by ¥30,000,000 the Bank of Chosen reduced its interest rate by two rin (¥0.002) effective yesterday.

The difference between the interest rates of the bank and the Bank of Japan has been lowered from three rin to one rin.—Domei.

Chinese Bullion on Way to U.S.

Singapore, Mar. 26.

The ss. President Garfield is carrying \$20,000,000, mostly in Chinese gold and silver coins to the United States as a Chinese Government remittance to the United States, the Free Press reported today. The funds were said to have been shipped from Manila.—United Press.

Bonds to Be Floated for

North China Co.

Tokyo, Mar. 29. Flotation of ¥250,000,000 in bonds during the present fiscal year by the semi-Governmental North China Development Company was approved at the firm's first shareholders meeting held here today.

Profits for the past fiscal year, consisting of November and December work, listed as ¥26,202. No dividend was declared, ¥2,621 being set aside as a legal reserve, while the sum of ¥262 was earmarked for a superannuation fund. The balance, amounting to ¥23,319 was carried over to this year.—Domei.

GHAI BANKING CORPORATION

HONGKONG. The liability of members is
in manner prescribed by Ordinance
(9 of the Colony.)

"	\$50,000,000
"	\$2,000,000
"	£6,500,000
Currency	\$10,000,000
Rs	\$20,000,000

e: HONGKONG
Mr. A. L. SHELDS, Chairman
I. LOCK, Deputy Chairman

MR. T. E. PEARCE, H. V. WILKINSON,
HAROLD M. GRANTON.

Batavia, Bombay, Calcutta, Canton-
ny), Foochow, Haiphong, Hamburg,
ngnai), Ipoh, Johore, Kobe, Kowloon,
Malacca, Manila, Moukden, Muar, New
g, Rangoon, Saigon, San Francisco,
a, Singel Patani, Swatow, Tientsin,
na.

ing & Exchange Business transacted.
Safe Deposit Boxes for Rent.
to noon. A. S. HENCHMAN, Manager.

France to Double Yugoslav Trade

Paris, Apr. 1. Franco-Yugoslavian trade will be doubled according to the provisions of the new commercial agreement that is to be enforced today by simultaneous decrees here and in Belgrade. The accords will facilitate the transfer of Yugoslav debts to France, thereby encouraging French investments in Yugoslavia. By lowering tariff rates, French purchases of Yugoslav agricultural products, especially maize, despite their high prices, will be fostered. French imports from Yugoslavia will be systematically increased through special arrangements between the respective Chambers of Commerce. It is hereby expected that this year France will import 440,000 quintals of Yugoslav maize while the Franco-Rumanian accords will bring some 100,000 quintals of Rumanian maize into France.

The new Franco-Rumanian trade agreement resulted from a plan drafted during the visit of the French commercial delegation's visit to Bucharest last November, the French Commerce Minister, M. Fernand Gentin, told Havas today. The terms of the plan were not modified by the recently-concluded Germano-Rumanian trade accords, he added. Rumania granted no monopoly to the Reich and French and British investments are contemplated with a view to developing Rumanian resources, including her oilfields. M. Gentin emphasized that development of trade with France would help Rumania to escape foreign economic tutelage.—Havas.

French Oil Purchases

Bucharest, Mar. 31. Contracts bearing upon the annual delivery to France of 700,000 tons of Rumanian oil were signed here today by M. Leon Wenger, representing French interests, and M. Bujoi, Rumanian Minister of Economy. The contracts deal with the payment of Frs. 200,000,000 in royalties annually by France and bear upon 25 per cent. of Rumania's total oil output. M. Wenger will now continue parleys with a view to negotiating the immediate purchase of 490,000 tons of oil.

A Franco-Rumanian cultural agreement was signed here at 1 o'clock this afternoon in the Sturdza Palace by the Foreign Minister, M. Gregor Gafencu, and M. Adrien Thierry, French Minister here. Present for the ceremony was the Premier M. Armand Calinescu.—Havas.

I. T. & T. Corporation's Earnings

A telegram has been received from New York by Shanghai Telephone Company as follows:—

Consolidated net income of International Telephone & Telegraph Corporation and subsidiaries amounted to \$7,038,590 for 1938 as compared with \$7,236,148 for 1937. Gross earnings, including gross profit on sales increase to \$67,518,700 from \$63,453,870. This improvement in gross earnings was more than offset by increased taxes in the amount of \$1,871,753. Increased interest charges of \$859,109 and \$4,575,412 reduction in income as related to the previous year resulting from the inclusion in the 1938 accounts of foreign exchange losses in the amount of \$3,561,479 as compared with foreign exchange profits of \$1,013,933 in 1937.

Japan Buys Most U. S. Scrap Iron

Washington, Mar. 26. Japan was the chief purchaser of American scrap iron and steel goods during the month of February, the Department of Commerce announced today.

Exports of iron and steel products to Japan totalled 18,149 tons while exports of scrap iron rose to 169,729 tons, or more than two-thirds the total U. S. scrap iron exports.

The Netherlands was second in the list or buyers, followed by Brazil. Total exports of iron and steel articles were 134,777 tons, while total scrap iron exports were 224,913 tons.—Havas.

Germany Gets Barter Pact with Argentina

Buenos Aires, Mar. 28. According to well-informed quarters here, the Argentine Government has signed a barter agreement with the Reich, providing for trade exchanges totalling Pesos 14,000,000.

Germany's exports to Argentina in this agreement are said to include 64 locomotives, while Argentina, in exchange, will dispatch 100,000 tons of wheat, other grains, and wool, within a delay of six months.—Havas.

Chartered Bank Report

London, Mar. 30. Events in China, and also in India, have compelled Mr. Arthur d'Anvers Willis, Chairman of the Chartered Bank of India, Australia and China, at its Annual Meeting, to adopt a somewhat restrained note, says the "Financial Times." There are, nevertheless, qualifications for it, the paper adds.

His explanation counters the impression which might be gained from the balance sheet, that the Bank has been losing business. But this is not the case, it goes on. The reduction in the accounts is explained by the fluctuation in the sterling value of the Chinese dollar, the "Financial Times" states.

The technical factor in the depreciation of the Chinese exchange has accounted for practically the whole drop in deposits in the Chartered Bank's current accounts, writes the "Financial News." It would

£2,750,000 Subsidy for British Shipping

London, Mar. 28. A subsidy for tramp shipping to the value of £2,750,000 was announced in the House of Commons today by Mr. Oliver Stanley, President of the Board of Trade.—Reuter.

Appear, therefore, that the Bank's experience in China is less unfavourable compared to that of the Hongkong and Shanghai Bank, which keeps accounts in Hongkong currency, than the Chartered Bank's accounts would at first suggest, the paper adds.

"The Times" city editor says that amid the dark shades of Mr. Willis's description of Chinese conditions, there was one bright touch.

This he referred to as the development of the courageous efforts to build up an economic system in the western provinces of China, and to rehabilitate in that potentially rich and hitherto undeveloped region, the shattered livelihoods of millions of merchants, artisans and craftsmen who migrated westwards from the Yangtze Valley.—Reuter.

Senate Committee Passes Cotton Programme

Washington, Mar. 30. The new programme for dealing with the American cotton surplus, which was announced by a group of Southern Senators yesterday and is actually a modification of the original Smith Bill, was approved today by the Senate Agricultural Committee. The plan would permit the reclamation of up to 3,000,000 bales of loan cotton.

Introduction by the "Cotton Senators" of their programme was regarded here as a warning of the storm impending in Congress over a solution of the cotton problem, and a prolonged tussle was considered inevitable as soon as legislation favouring President Roosevelt's recommendation of an export subsidy is initiated in Congress.

While Cotton Senators were confident that the export subsidy proposal, which their programme directly opposes, has no chance of passage in the Senate, there was also a conviction that the modified Smith Bill would have hard "sledding," chiefly in view of its higher costs. Planting has already begun in the South and reposition of futures, to be effective at all, must be enacted immediately.—Reuter.

Mexican Oil Goes to Italy by Accord

Mexico City, Mar. 27. The Italian tanker *Casco* left Tampico today carrying 60,000 barrels of oil which have been purchased by the Italian Government from the Companie Petroleras Mexicanas. It is reliably stated that an agreement has been reached between Mexico and Italy for the supply of large quantities of oil to the latter in exchange for machinery and manufactured products.—Trans-Ocean.

Chinese Bonds Rise in London

London, Mar. 27. Upon the announcement of resumption of negotiations regarding the restoration of the service on certain Chinese loans, Chinese bonds on the Stock Exchange here rose several points.

Among the bonds which revealed firmness were the 5 per cent. 1912 which was quoted at 38 as against 36 yesterday, and the 5 per cent. 1913 which rose one point.—Havas.

COMPANY MEETINGS

Shanghai's Water Consumption

Increased Shipping Helps Revenue Of Shanghai Waterworks Co., Ltd.

Shanghai, Mar. 31.

THAT Shanghai was consuming more water now than ever before, notwithstanding the fact that the Eastern districts which hitherto used thirty per cent. of the total water supply, was indicated by Mr. H. M. Little, Chairman of the Board of Directors at the Annual General Meeting of the Shanghai Waterworks Co., Ltd., which was held at the company's head-offices at noon yesterday. A dividend of 3/- for "A" class shares and one shilling eight pence for "B" class shares were also declared at the meeting at which 237,710 votes were represented or present.

In his speech, the chairman said: "Revenue on intra-agreement consumers' account is \$5,262,860.07 as compared with \$4,737,951.14 for 1937. After deducting net working expenditure the balance of Working Account carried to Profit and Loss Account is \$2,721,118.29 as against \$2,404,838.02 in the previous year, which after taking into account the various profit and loss items, results in a net profit for the year of \$1,778,315.42 as compared with the net profit for 1937 of \$1,347,779.81.

The half yearly dividends on the preference share issues and an interim dividend of 2 per cent on the ordinary shares which were paid on September 27 last, absorbed \$776,357.36, thus leaving a balance of \$1,001,958.06. This sum is short by \$789,170.02 of the amount required to pay the dividends recommended by your directors as set out in their report which is now before you. Accordingly the amount of the shortage is made good by transfer from Equalization of Dividends Reserve thus bringing the total amount available for distribution to \$1,791,128.08. The dividends we recommend are the usual half yearly preference dividends and a final dividend on "A," "B" and "C" shares of 5 per cent making with the interim, a dividend for the year of 7 per cent on each class. There are thus shortages in the dividends for the year of 2 per cent in respect of the "A" shares and of 1 per cent in respect of the "C" shares.

The Accounts

Before dealing in detail with the accounts now before you or commenting on the cause of the shortage of profits, I should like to refer as briefly as possible to the method of payment of dividends as between the three classes of ordinary shares. As you are aware the matter is governed apart from general provisions in the Company's Articles of Association, in the first place by the terms of issue of the shares and in the second by the material terms of the Company's Exchange Agreement with the Shanghai Municipal Council. Taking the latter first, provision is made for the payment of dividends for each year not exceeding 9 per cent on the "A" share capital, 7 per cent on the "B" share capital and 8 per cent on the "C" share capital and further that where in any year the profits are insufficient to pay these dividends any deficiencies shall be payable out of the profits of any succeeding year and the dividends for such succeeding year increased accordingly. Under the terms of issue, the three classes rank *pari passu* except as to the maximum rate of dividend.

We are advised that the meaning of these various provisions is that the profits available for dividend should, in the first place, be divided equally among the holders of "A," "B" and "C" shares according to the amount of capital paid up on each of these classes of shares, provided that "B" shares must not receive more than 7 per cent, "C" shares more than 8 per cent, and "A" shares more than 9 per cent, and further that in the event of there being a deficiency in any year, that deficiency should first be made up out of the profits of the following year and the balance then allocated by way of dividends in the manner just stated. You will see from this that there can be no question of a *pro rata* distribution. Our recommendation has been made therefore in accordance with this advice, which, I may add, has been endorsed by the Company's legal advisers in London.

Improved Shipping

On extra-agreement and shipping consumers' account we have a net profit of \$116,072.51 as compared with \$68,304.35 for 1937. This increase is entirely due to improved shipping rates which in turn is a direct result of the hostilities and cannot therefore be taken as continuing, although no doubt a diminution of supplies to naval and military shipping would to some extent be offset by an improvement in supplies to civil shipping. To the profit there is to be added \$92,160.71 being undistributed profits brought forward from 1937, making the total amount available \$208,233.22. Out of this amount we recommend the payment by way of dividend of 3/- for "A" share and 1.8d per "B" share at exchange 8/-, thus leaving

\$10,356.01 to be carried forward to New Account.

Depreciation of Dollar

Reverting now to the Working Account and Profit and Loss Account you will notice that practically without exception every item whether revenue or expenditure shows an increase as compared with the previous year. Just as in 1937 the position was dominated by the outbreak of the Sino-Japanese hostilities so in 1938 the one important factor has been the depreciation of the Chinese dollar. So far as expenditure is concerned nearly every item has been adversely affected either directly or indirectly. However, owing to our policy of covering foreign currency commitments as far ahead as possible the direct increased cost due to the depreciation of the dollar is not as great as it might otherwise have been. It will of course be fully reflected in the accounts for the current year. Of the items affected indirectly fuel and power are the most important, fuel both coal and oil showing average increases of 60 to 70 per cent over 1937 costs and power 28 per cent. These figures have since risen to 83 per cent and 46 per cent respectively. Further the last half of the year was affected by an upward adjustment of salaries to meet the sharp rise in the cost of living. This adjustment has been made in common with most other undertakings in Shanghai.

As against these increases in expenditure, the revenue from water sold shows a very satisfactory increase. Shanghai's ability to withstand adverse conditions and adopt itself speedily to changes is truly remarkable. With the central area partially demolished and still but sparsely inhabited, areas from which in former times your Company derived some 30 per cent of its total revenue, we were called upon by Shanghai during the last six months of the year to supply more water than we have ever supplied before. It is true that owing to the abnormal conditions in the areas referred to a greater percentage than formerly of the total demand was unsold and remained unaccounted for, but even allowing for this factor which is by no means serious and which is now being steadily reduced, the increase in the quantity of water sold is striking, especially is this so in the case of non-domestic demand, where the increase must represent increased business activity and cannot as is too often the case with domestic demand result from overcrowding.

Last year I felt it incumbent upon me to warn you that with the present tariff and the then existing rebate your Company could not hope during 1938 to earn sufficient profits to cover full dividend requirements and again in August when declaring the interim dividend your directors considered it desirable to advise you by circular that at arriving at the amount of such interim dividend due regard had been had to the exchange and cash positions and that the amount so declared should not be taken as affording any indication of the amount of the final dividend.

Had no currency depreciation occurred, the first warning might have proved somewhat premature such was the improvement during the last six months of the year. However, even at the time I was addressing you the forces making for depreciation were at work and by August it was only too clear that the exchange value of the Chinese dollar had been established on the lower level and that all previous calculations would have to be drastically revised. It was in these circumstances that the circular accompanying the declaration of the interim dividend was addressed to you.

Revenue Improved

Although it was contemplated that the rebate of 20 per cent should continue in force until the end of 1938, the heavy depreciation of the dollar compelled us to seek early relief and the Municipal Council was accordingly approached with a view to obtaining the withdrawal of the rebate. As stated in your directors' report this withdrawal took effect as from Octo-

ber 9. The revenue for the year has thus also benefited to this extent. While deploring the necessity for this increase in our charges to our consumers, I must state quite clearly, that so far as can be seen at present, this increase while it may, assuming present demand and exchange level, possibly prove sufficient to take care of bare dividend requirements, it cannot produce sufficient surplus to cover the 1938 dividend shortage or enable us to make good the heavy inroads into our reserves that we have been compelled to make.

Under arrangement with the Municipal Council the position is now due for review and whatever the outcome it is the opinion of your directors that in the interests both of the Company and its consumers the position should again be reviewed in say six months' time.

During the past year expenditure has been kept to the minimum consistent with efficiency, not only has some reduction in staff numbers been effected, but all routine service increases were postponed during the year. This measure cannot, of course, be continued but the resultant economy helped materially.

There is not much that calls for comment in the balance sheet. A satisfactory reduction has taken place in the amount owing on water accounts, which last year was somewhat greater than usual as a result of the hostilities, the amount held on Investment Account has been reduced by reason of transfers therefrom to cover the investment of the instalments on the various Fund Accounts and some minor alterations have been made at the instance of your auditors in the wording of some of the items. The depreciated value of the dollar is of course reflected in increases in those items representing sterling or other foreign currencies.

Directors' Fees

In the resolution re-electing your auditors you are asked to approve their remuneration at \$5,000 for the current year. This increase is recommended in view of increased costs due to the low level of exchange and consequently is liable to adjustment in succeeding years should the position alter.

The Plant

As regards the physical side of your undertaking the plant at Yangtszepoo has been maintained in its usual good order and has very adequately met all demands that have been made upon it. The distribution system has, however, been the cause of some anxiety not by reason of any breakdown or inherent defect but solely by reason of the radical changes that have taken place in the incidence of the demand owing to the abnormal conditions in the areas north of the Soochow Creek and to the influx of refugees and consequent congestion in various other areas. While demand in the more central areas has relatively altered but little, that in certain areas in the west of the settlement has suddenly increased by no less than 45 per cent. The danger of the consequence of this state of affairs can readily be seen. With plenty of water available, the means of conveying it may prove insufficient to cope with the sudden and unpredictable increase in demand. The remedy is either to increase the means of conveyance, that is to enlarge the existing mains or to increase the rate of flow in the existing mains. Main laying is a costly undertaking and the troublesome factor is that it is almost certain that this change in the incidence of demand is but a temporary phenomenon. It is fortunate that the alternative remedy has been found possible. Increased rates of flow mean increased pressure. To meet the emergency, pressure was increased by increasing the head at the works in Yangtszepoo. This had the disadvantage of increasing pressures throughout the whole system and therefore of being unnecessarily expensive. It also had the further disadvantage of increasing the wastage in the abnormal areas north of the Soochow Creek, for increased pressure means increased waste.

I am pleased to say that a scheme has been worked out which, by means of what are technically known as "boosting" stations, will at comparatively small capital cost overcome these disadvantages and so relieve us of any anxiety we might have had on this score during the coming summer.

Difficulties

As regards our position in the extra settlement areas I can say very little. It is unfortunate that the water supply to such a great city as Shanghai should involve political considerations, but such is the case and you will readily understand therefore my reticence at this juncture. I should like, however, to put on record that apart from some minor initial misunderstandings our relations with the Japanese military, naval and civil authorities have remained consistently good. Before leaving the subject of extra settlement supplies, some reference must

(Continued on page 26)

COMPANY MEETINGS (continued)

Sua Manggis Rubber Co.

Shanghai, Mar. 28.
The annual meeting of the Sua Manggis Rubber Co., Ltd., was held yesterday at 49 Seachuen Road. Mr. A. J. Welch, chairman, presided, supported by Messrs J. E. Badesley and L. Kadoorie, directors, and Mr. W. A. Welch representing Messrs J. Wattie & Co., Ltd., Secretaries and General Managers. Shares present and represented totalled 27,905. The chairman in his speech said:—

The result of the working for the year is a profit of Ch\$9,042.10 as compared with a profit for the previous year of Ch\$65,024.84. This disappointing result is attributable to the fact that the output of Rubber was 65,200 lbs. smaller, whilst the receipts from sales of rubber were 3.45 pence per pound lower. The estate expenditure on Revenue Account, on the other hand, was two fifths of a penny per pound higher. The expenditure on Capital account was Ch\$581.37 for which sum a new bullock and a weighing machine were purchased. We are not faced with any heavy capital expenditure for either rebuilding or replanting in the immediate future.

The standard production for 1939 has been assessed provisionally at 258,000 lbs., which is an increase of 3,000 lbs. as compared with that for last year and is considered to be a reasonable allowance taking into account the yielding capacity of the Estate.

Estate Affairs

As regards planting matters, 10 acres of mature rubber have been cut out preparatory to re-planting which will be done when the appropriate period arrives. The smaller output was entirely due to the operation of the Restriction Scheme. The yield per acre actually tapped being 469 lbs. as compared with 482 lbs. last year. It was only necessary to tap an average area of 356 acres in order to produce the amount of Rubber that it was permissible to export.

The standard of tapping is reported to be satisfactory and the rates of bark consumption and bark renewal are reported to be normal.

The supply of labour was ample for requirements and the force appears to be settled and contented. The health of the coolies, I am glad to say, continued to be satisfactory. The Estate is reported to be free from lalling and other noxious growths and the cost of weeding per acre per month showed a reduction of 1 cent. Neither pests nor diseases gave any trouble during the year, such as were discovered yielding readily to treatment.

All the machinery was given the necessary attention and is reported to be in good order except for the old engine which is becoming somewhat expensive to run. The Buildings were maintained in a satisfactory state of repair and a new cement floor was laid in the factory.

Financial Position

Financially the company is in a moderately satisfactory position since, if you pass the dividend now recommended, it will start the new year with a surplus of liquid assets amounting to approximately Ch\$43,800.—

It will later on be proposed that the directors' fees be increased from Ch\$389.16 per annum each to Ch\$580.—each. This small difference of \$11.—per head is suggested in order to bring the fee to a round figure.

The auditors' fee also shows a difference owing to a new method of calculating the fee which has been adopted by many companies in order to compensate to some small extent for the serious drop in the rate of exchange. You will also be asked to vote upon this later on.

Your directors have also arranged to enter into a new agreement with the secretaries which will entitle them to receive their fee in Straits Dollars instead of in Chinese Dollars. The amount of the fee has been fixed at \$1,512.00.—per annum which is approximately the equivalent at the present rate of exchange of the existing fee. This rate of commission on the net profits has also been increased from 1 per cent. to 2 per cent.

In conclusion, I would like to express our best thanks to the Manager, to the Straits Agents and to the Visiting Agent for the very efficient manner in which they have looked after the interests of the Estate during the year under review.

There being no questions, the following resolutions were passed:—

That the directors' report and statement of accounts for the year ended December 31, 1938, as presented, be adopted and passed.

Proposed by Mr. A. J. Welch and seconded by Mr. L. Kadoorie.
That a Dividend of 2 Dollar cents per share be paid.

Proposed by Mr. A. J. Welch and seconded by Mr. L. Kadoorie.

That the appointment of Mr. J. E. Badesley as a Director of the Company be confirmed.

Proposed by Mr. C. F. Shackleton and seconded by Mr. D. E. Levy.
That the appointment of Mr. L. Kadoorie as a Director of the Company be confirmed.

Proposed by Mr. C. F. Shackleton and seconded by Mr. Chung Shun Hwa.
That Mr. H. Kadoorie be re-elected a director of the company.

Proposed by Mr. D. E. Levy and seconded by Mr. C. F. Shackleton.
That Messrs. Mortimer Reid & Stee be re-elected auditors to the company and that the fee for auditing the Accounts to December 31, 1933 be Ch\$250.—

Proposed by Mr. Chung Shun Hwa and seconded by Mr. D. E. Levy.
That the directors' fees be increased from Ch\$389.16 per director per annum to Ch\$580.—for each director.

Proposed by Mr. D. E. Levy and seconded by Mr. Chung Shun Hwa.

Dominion Rubber Co.

Shanghai, Mar. 28.

The annual general meeting of the Dominion Rubber Co., Ltd., was held yesterday at 20 Canton Road. Mr. W. Mellor, chairman, presided, supported by Messrs E. E. Parsons and H. Martin Little. Shares present and represented totalled 42,672.

The chairman in his speech said:—
You will have observed from the Report that the area of Hendra Estate is increased by 101½ acres, and I will preface my remarks by giving you a short explanation of how this came about.

Your Directors, being anxious to avail themselves of the opportunity offered by the Rubber Regulation Authorities to increase the planted area by the 5 per cent. permitted and having no land available for the purpose, applied to the Government for a piece of jungle land of 102 acres adjoining Hendra. This application was granted, at a price of \$50 per acre, and also permission given to occupy the land before registration of title, which enabled the Manager to commence felling in December. The general lie of the new land resembles the field of Hendra which it adjoins, and the Manager is of the opinion that it should in time produce a first class growth of rubber.

Replanting Scheme

I will now say a few words on how the replanting scheme, outlined in my speech two years ago, has progressed during the year. I am glad to say the young trees in the 1937 area have made excellent progress, and appear strong and healthy. Routine manuring with chemical fertilizer has been regularly carried out and this replanting has made a very satisfactory start.

A further 56 acres were undertaken on Hendra Estate during 1938, the planting up being completed in December. Budded stumps of three selected clones were used, two of which were provided from our own nursery, and the other acquired from a nearby Estate.

It was very unfortunate that the planting-out period happened to coincide with a spell of extremely dry weather, a most abnormal occurrence for the closing months of the year. This caused a loss of some 25 per cent. of the budded stumps, which however will be made good during the current year. Although the loss is regrettable, it is one which could not be avoided and will not detract from the ultimate value of the replanted area.

Estate Satisfactory

It is intended during the present year to replant 53 acres on Hendra and a small sparsely-planted lot of 5½ acres on Dominion, which continues our programme of gradually replacing areas, which are uneconomical, with new trees from the best available planting material known. Of the mature areas, I have little to say except to remark that on both Estates there is in a generally satisfactory condition. However, in spite of every care, we continue to lose old trees from root disease and, as the value of a field of rubber depends mainly upon its yield per acre, this, with the gradual loss of trees in these old fields, is a slowly diminishing factor which emphasizes the importance of our replanting programme.

The Estate Buildings are in good serviceable order and present a very tidy appearance. On Dominion, six 4-roomed "cottage" lines of a modern type were completed during the year, and on Hendra a commodious Dispensary and School was erected, all of which will be useful additions to the estate buildings and will help considerably in enabling the estate to keep a permanent and contented labour staff always available.

Quota and Price

The exportable quota for the year averaged 55 per cent. of Standard Production, and this enforced low crop naturally had its effect on our cost of production. Economies, wherever possible, were effected and an average cost of 16.60 Str. cents per lb. compared with 16.31 Str. cents per lb. for 1937. In fact, I think, be considered satisfactory.

The price of rubber for the greater part of the year was on a very low

level and our sales for the year, totalling 404,500 lbs. realized an average price of only 21.13 cents per lb. against 31.19 cents per lb. for the 642,943 lbs. sold in 1938.

Details of the provisional assessment for 1939 are given in the report, from which you will see a small increase has been received for Hendra. The assessment of Dominion is unchanged, which makes the total for the two Estates 770,700 lbs.

Accounts

Turning to the Accounts, you will find that the profit for the year, after providing for the expenditure on our replanting, amounts to \$23,453.63. The Directors propose to meet this expenditure by a transfer of \$20,000 to the credit of Profit and Loss Account from our Replanting and Cultivation Reserve which was formed in previous years for this purpose. In addition to the amount of \$19,033.00 carried forward from the previous year, this will provide a sum of \$3,420.63 for appropriation. Your Directors recommend that this should be dealt with in the following manner: To pay a Dividend of 15 cents per share which will absorb \$30,000, and to write off Buildings and Furniture, Rubber Factory and Stores, Bullocks and Carts a total of \$13,560.51 as detailed in the report. If these appropriations are approved, it will leave a balance of \$9,926.20 to be carried forward to the next account.

In conclusion I wish to take this opportunity of expressing our appreciation of the work done by Mr. H. C. Pinching, our Technical Adviser, the Estate Managers, and the staffs on the Estates, and also by our Straits Agents.

There being no questions the following resolutions were passed:—

Proposed by Mr. W. Mellor and seconded by Mr. E. E. Parsons. That the Report and Accounts for the year ended December 31, 1938, as presented be accepted.

Proposed by Mr. W. Mellor and seconded by Mr. H. Martin Little. That the Directors' recommendation to transfer from Replanting and Cultivation Reserve \$30,000 to Profit and Loss Account, and the following appropriation of the balance at credit of Profit and Loss Account as presented be accepted.

To pay a Dividend of 15 Cents Local Currency per share \$30,000.00
Write off Buildings and Furniture 8,071.18
Write off Rubber Factory and Stores 4,900.00
Write off Bullocks and Carts 459.33
Carry forward 9,926.20
\$53,466.71

Proposed by Mr. J. K. Brand and seconded by Mr. E. E. Parsons. That Mr. H. Martin Little be re-elected a Director of the Company.

Proposed by Mr. Kay C. Chun and seconded by Mr. W. J. Kadoorie. That Messrs. Lowe, Bingham & Matthews be re-elected Auditors to the Company for the ensuing year in Penang at an annual remuneration of Str. \$200.00 and in Shanghai at an annual remuneration of \$460.00.

G. E. Marden & Co., Ltd.

Shanghai, Mar. 31.

The 10th ordinary general meeting of shareholders of G. E. Marden & Co., Ltd. was held at the offices of the Secretaries, Messrs. Wheelock & Co., Ltd. No. 2 French Bund, yesterday. Mr. G. E. Marden presided and was supported by Messrs. F. R. Davey and V. K. Song, directors. Also present were Mr. W. J. Hawkins, manager, and representing the Secretaries and shareholders representing 74,000 shares.

The chairman in his speech said:—
The net profit for the year amounted to \$349,588.82 which is again the largest in the history of the company and a substantial proportion of this must be attributed to the dislocation of transportation facilities caused by the local situation.

Goodwill Written Off

Your directors decided to write off the entire amount of goodwill against General Reserve, whilst that other unrepresented asset "Debiture Discount & Underwriting Commission" has also disappeared, being written off almost entirely against the profit realized from the purchase and cancellation of certain of our own debentures.

Freehold property is practically unchanged and leasehold property has been either amortized mathematically to the end of the lease or in some cases more drastically written down. Adequate depreciation has been allowed for on our other property.

Investments

Investments in subsidiary Companies have been increased by the reinvestment of part of the dividends received from them.

From profits for the year an interim dividend of \$2 per share was declared and if you approve of the directors' recommendation a further \$3 per share will be distributed, and the General Reserve will stand at \$100,000.

Before formally proposing the adoption of the report and accounts I shall be pleased to reply to the best of my ability to any questions you may wish to put.

There being no questions, the following resolutions were then put to the meeting and carried unanimously:—

That the report and accounts as presented be adopted.

Proposed by Mr. G. E. Marden. Seconded by Mr. F. R. Davey.
That the amount standing at credit of the Profit and Loss Account, viz. \$301,090.23 be appropriated as follows:—
To pay a final dividend of \$2.00 per share \$602,180.46
Transfer to general reserve \$225,000.00
Carry forward 84,709.22
\$1,306,069.74

Proposed by Mr. G. E. Marden. Seconded by Mr. F. R. Davey.

That Messrs. G. E. Marden and V. K. Song, who retire in accordance with the Articles of Association, be re-elected directors of the company.

Proposed by Mr. F. R. Davey. Seconded by Mr. W. J. Hawkins.

That Messrs. Thomson & Co. be re-elected auditors of the company, at a remuneration to be arranged.

Proposed by Mr. V. K. Song. Seconded by Mr. W. J. Hawkins.

Shai & Hongkew Wharf

Shanghai, Mar. 31.

The serious situation which has been created in the port of Shanghai by the impounding of the Whangpoo Conservancy Board's dredging craft and equipment as well as the abnormal conditions still prevailing in Hongkew, were stressed by Mr. W. J. Keswick, Chairman of the board of Directors of the Shanghai & Hongkew Wharf Co., Ltd., at the annual meeting of the company held yesterday morning, at which 21,709 shares were represented. A dividend of \$10 per share, was declared.

In his speech, the chairman said:—
Taking all things into consideration we must consider the result of the year's working satisfactory and I think it is considerably better than might have been expected.

Hongkew Conditions Deplored

It is deplorable that in the year which has passed since our last Annual General Meeting there is practically no progress to report as regards conditions in the Hongkew area where the major part of our properties are situated. The restriction imposed on free access North of the Soochow creek still severely handicaps our activities and are a grave inconvenience to all consignees, shippers and clients. It is now about eighteen months since active hostilities moved away from this part of the International Settlement and a return to something approaching normal conditions is long overdue.

Taxation paid by us on Hongkew properties amounted to \$288,000.00 in 1938 for which in view of the restricted use of roads we received a very inadequate return. No blame attaches, of course, to the Shanghai Municipal Council who are obviously doing their utmost under adverse conditions to restore services and amenities.

On the occasion of the annual meeting last year I mentioned the serious situation which had been created by the impounding of the Whangpoo Conservancy Board's Dredging Craft and equipment. I regret that here again there is no progress to report. Sooner or later this matter will become of urgent importance to the welfare of the community as a whole.

Buildings

Buildings which suffered damage during the hostilities have all been reinstated and the cost has been charged in full to revenue. A claim has been lodged with H.B.M. Consulate.

Our properties are all in a good state of repair. New construction in hand has been completed and until conditions become more settled it is not your Directors' intention to proceed with any new development of major importance.

Turning now to the Accounts: If you will look at the Profit and Loss Account you will see that the amount brought in from Working Account is \$989,168.73 which is an improvement of approximately \$415,000.00 as compared with year 1937. We handled an increased number of ocean going steamers but as a result of conditions in Hongkew and on the Yangtze the berthing of coast and river steamers fell off considerably. Our increased earnings were derived principally from storage.

The auditors' fees are slightly higher than last year as we have agreed to give them exchange compensation on one-third of their annual fee. I hope you will support the resolution which will be proposed authorizing the increase for 1938 which amounts to \$483.29.

Cash Position Healthy

Depreciation has been written off on the usual scale. The balance sheet follows the usual lines and I think you will agree that it is a very solid and satisfactory document. The cash position is healthy.

The balance at credit of Profit and Loss and available for distribution is \$702,371.51. The directors recommend a dividend of \$10.00 per share, paying a bonus to staff of \$15,000.00 and

carrying forward \$147,371.51. I hope these recommendations will have your approval.

The staff bonus is in line with what we have done in previous years and I can assure you it has been well earned.

Before putting the resolutions I shall be pleased to answer any questions arising out of the accounts.

There being no questions, the following resolutions were passed:—

That the report and accounts for 1938 be adopted, that a dividend of \$10.00 be declared, and that the allocation of the amount then available as recommended by the Directors be passed:—

Proposed by Mr. W. J. Keswick and seconded by Mr. L. Kadoorie.

That Messrs. Pan Ching Poo, L. J. Davies, D. Morrison, L. Kadoorie and Dr. A. Korff be and they are hereby re-elected Directors of the Company:—

Proposed by Mr. Yuh Chor Poon and seconded by Mr. John McCall.

That Messrs. Lowe, Bingham & Matthews be and they are hereby re-elected auditors for the ensuing year, and that the usual annual fee of Ch\$2,000.—be adopted. The dividend of the past year 1938 so that two-thirds will be paid in local currency and the other one-third will be converted into Sterling at the rate of 10/- and converted at 8½d. to Ch\$1.00 making a total fee for the year of \$2,581.19:—
Proposed by Mr. Tse Shuen and seconded by Mr. A. H. Merriles.

China Development Co.

Tokyo, Mar. 28.

Holding its first shareholders' annual meeting, the Central China Development Company, a semi-governmental concern, today announced the flotation of Y.10,000,000 in bonds.

Also approved at the meeting was the directors' report on the disposal of profits amounting to Y.20,046 for the period of November 1 to December 31 last year. No dividend was declared.

Out of the profits, Y.3,000 were laid aside as legal reserve, while Y.300 were earmarked for inclusion in the super-annuation fund. The sum of Y.17,346 was carried over to 1939.—Domei.

Shanghai Waterworks

(Continued from page 25)

be made to the Western extra settlement areas. When addressing you in April, 1937, I said:—"The problem of the supply of water to the area west of the International Settlement I regret to say still remains unsolved. However, during the year negotiations were resumed on a somewhat different basis and we now have distinct hopes of an ultimate solution being found, in the meantime the position in regard to fresh consumers in the district remains the same. Our mains in the area are fully matched and we are therefore unable to furnish any new supplies." Since then much has happened and it needs no detailed knowledge of the local situation to draw the inference that the events of the past eighteen months have contributed in no way to an early solution of the problem, rather have they served to introduce new problems. I can only repeat therefore that through no fault of our own the water supply to this area is unsatisfactory and that with our mains fully matched we are still unable to furnish any new supplies.

I cannot conclude without reference to the loss your Company has suffered through the deaths during the year of Mr. H. Porter and Mr. Sing-loh Hsu. Both these gentlemen were the Council's nominees on your Board and their loss will be greatly felt. We welcome, however, Mr. R. G. MacDonald and Mr. L. T. Yuan who have been nominated by the Council to fill the vacancies thus created.

Finally I am sure I am expressing your wishes when I tender our thanks to Mr. Rial and Mr. Lock and their respective staffs for the very efficient manner in which they have carried out their duties.

There being no questions, the following resolutions having been formally proposed and seconded, were put to the meeting and carried unanimously.

Proposed by the Chairman and seconded by Mr. A. J. Welch.
That the Directors' Report and Accounts for the year 1938 be and they are hereby received and adopted.

Proposed by the Chairman and seconded by Mr. A. J. Welch.

That dividends for the half year ended December 31, 1938, viz. 31 per cent on 100,000 7 per cent Cumulative Redeemable Preference Shares and of 100,000 6½ per cent Cumulative Redeemable Preference Shares be declared and paid, that a final dividend on Intra Agreement Consols be declared for the year ended December 31, 1938, of 8 per cent and "A" and "B" shares respectively be declared and paid.

Proposed by Mr. A. J. Welch and seconded by Mr. J. Welch.

That a dividend on Extra Agreement and Shipping Consumers Account for the year ended December 31, 1938, of 3½ per "A" share and 1½d. per "B" share be declared and paid.

Proposed by Mr. T. Wallace and seconded by Mr. J. Welch.

That Mr. H. M. Little and Mr. W. P. Lamb be and they are hereby re-elected directors of the Company.

Proposed by Mr. R. M. Currie and seconded by Mr. T. Wallace.

That Messrs. Lowe, Bingham & Matthews be and they are hereby re-appointed Auditors of the Company until the next ordinary meeting, and that their remuneration be \$5,000.

LETTERS TO THE EDITOR

The Coronation:

The Sovereign's Declaration

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—Although I have been unable to find the exact words of the Declaration prescribed by Act of Parliament required by CONA, it is mentioned thus in the Encyclopaedia Britannica:

...In 1673 was passed the Test Act, obliging all office-holders to receive the Sacrament in the Established Church, and to declare their disbelief in transubstantiation.

To this footnote refers:

This declaration, which denounced the mass as "idolatrous and superstitious," was taken by all office-bearers, including bishops on taking their seats in the House of Lords, until the Relief Act of Settlement on the sovereign also, in order to make impossible any repetition of the policy of James II. This "Declaration of the Sovereign" formed the subject of heated debate on the accession of kings Edward VII. and George V., and in August 1910 Parliament substituted for it a simple declaration of adhesion to the Protestant religion.

CHEROOT.

Shanghai, Mar. 28.

The Sovereign's Declaration

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—Like BERTIE and CYRNO BACH the Encyclopaedia Britannica has suffered at the hands of the compositor, for that precise work's footnote is:

This declaration, which denounced the mass as "idolatrous and superstitious," was taken by all office-bearers, including bishops on taking their seats in the House of Lords, until the Relief Act of 1829. It was imposed by the Act of Settlement on the sovereign also, in order to make impossible any repetition of the policy of James II. This "Declaration of the Sovereign" formed the subject of heated debate on the accession of kings Edward VII. and George V., and in August 1910 Parliament substituted for it a simple declaration of adhesion to the Protestant religion.

CHEROOT.

Shanghai, Mar. 29.

The Refugees:

The Gratitude of One

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—Having read in your yesterday's issue the letter of one of your readers concerning the voluntary enlistment of refugees in the ranks of the Volunteer Corps, permit the following remark.

I am convinced that a lot of refugees, among many old soldiers, would place themselves spontaneously at the disposal of the Volunteer Corps, if summons of enlistment should be published.

I myself, old soldier both of the Austrian-Hungarian and the French Army, in spite of my 52 years would obey such a call at once, simply for this reason to return my thanks to England that gives my wife and my daughter a shelter.

FREDERIC BLOCH.

Shanghai, Mar. 28.

Refugee Danger:

The Approach of Summer

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—With summer fast approaching those of us who think have turned our minds once again to the 500,000 odd Chinese refugees in Shanghai today. We were fortunate last summer inasmuch as cholera, typhoid and cerebrospinal fever did not take a heavy toll, but we cannot go on tempting Providence.

All refugees should be got out of the International Settlement as soon as possible. Their camps, which are unhealthy in the extreme owing to their small size, will assuredly breed diseases during the next few months, which diseases will spread like wildfire.

The Japanese are willing to allow areas in the thinly-populated Eastern District and Western District (over the railway) for Refugee Camps which can still be maintained by the same authorities who are maintaining them today. Why isn't something done about it?

The transportation of these refugees to areas outside the Settlement would be an easy proposition. Camps would not cost a lot of money to construct—besides if money is needed for work of that kind those permanent residents both foreign and Chinese of the International Settlement would give most generously to a cause which to my mind means life to many.

If the Public Health Department and the Public Works Department are not competent enough to carry out

The Bolsheviks:

By One Who Knows Them

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—As everybody has read Britain, France and the Soviets had contemplated joint action, through a conference, against further German aggression, and we all know that they have given it up—well for them, it would have been useless anyhow, we have heard enough of protest, speeches etc., etc., but no action. What I really want to know is, why do decent nations find it possible and necessary to join hands, in whatever action they want to take, with the scoundrels in Moscow? There is not one decent fellow amongst the lot to be trusted. We have had enough of convincing proofs what kind of government exists in the Soviet Paradise and just to add a few convincing facts. I wish to bring to the attention of those who are interested the following facts about life and love in the Soviet Paradise and amongst the Bolsheviks residing right here, and believe me, I know what I am talking about, besides, I understand and speak Russian perfectly.

Some time ago a young couple (Jewish) got married here and for some reason or other decided to leave for U.S.S.R. Now, some months later the mother of the bride received a letter full of tears—how the letter ever reached her is a mystery—but she writes to her mother that her husband of a few months has been sentenced to ten years deportation, reason unknown; she begs her mother never to write to her as it would only make her sadder, worse, and ends by telling her that she must get accustomed to count her only daughter as dead, as she is convinced that they will never meet again.

Right here in Shanghai I know a lady who is the unfortunate holder of a Soviet passport. She is no more bolshevik than I am, but unfortunately she is married (if you can call the Soviet custom of marriage a marriage) to a Bolshevik, who for the last eight years has been living on her earnings. She has now broken loose from him and is working and receiving a small salary, but nevertheless the husband demands that she should turn over that salary to him. He has in the past stolen and taken all her valuables, sold or pawned them, and still pesters her every day. She has requested her "Consulate" to assist her in obtaining a divorce, but the only result is that if the lovely husband does not agree nothing can be done. Poor woman!

The other day there was a meeting, mind you by order, at the so-called Soviet Club. Everybody was denouncing somebody. The ladies because they play mahjong, attend bingo at the Jewish and Russian (White) clubs, men because they eat at White Russian restaurants and so forth, and they were told that if they don't stop they would be expelled from the Soviet club. What punishment, my! my! That would only be the beginning of their sufferings if I know the Bolsheviks, and I do think I know them and their methods to make happy and obedient citizens out of the poor devils. At least they have one radical punishment and that is to make them a head shorter. Now, have you ever heard that being the proud possessor of a Soviet passport does not mean that you are able to return to the Paradise? No, you must write an application, same going to Moscow, and it is far from certain that you will be permitted to enter your own country. That is what is commonly called equality, fraternity, etc., etc. I must say, then rather give me Hitler, but I am most happy when I think of my free country and my king.

ANTI-ANTI BOLSHIEV.

Shanghai, Mar. 28.

Women Again!

A Unique Proposal

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—And why not? Why shouldn't we have women on the Shanghai Municipal Council? There are women on the municipal councils in other parts of the world; there are women members of Parliament; women holding high Government offices in other countries, so why not give them an opportunity to be recognized in Shanghai? What has given rise to this suggestion? The women have displayed initiative and efficiency. They have tackled the Beggar question; now the Anti-Spitting Campaign, the Anti-Tuberculosis work and many other social problems. What could be more dignified and efficient than the excellent report issued by Miss Hinder on the child slave question—a piece of the most important legislation ever put through and which passed the public eye without comment or the congratulations it deserved.

THANK IT OVER.

Shanghai, Mar. 28.

Pinkiang Bombing:

A Well-Marked Compound

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—I just got a letter from a friend in Changsha in which he writes:—
We heard yesterday that in Pinkiang (Hunan) one of the Mission compounds was bombed, one missionary was killed. You remember Clark? He was in the same bombed compound and was dazed by the shock. The other missionary who was killed stood just in the place where the bomb fell and nothing of him could be found, not even a small piece. The compound is very large and marked, very clearly with gigantic Union Jacks all over. The people who saw the bombing said it was clearly deliberate, perhaps it is one of those "vigorous steps" Japan promised to undertake on account of British loan to China.

I am wondering what reasons the Japanese military authorities will offer to explain this Pinkiang case. Are all their flairs near-sighted or blindfold? Otherwise, how to explain this incident?

Japan must be checked by all peace-loving nations of the world for all her rude and cruel actions in China and in the Pacific. She is already going too far.

"DICK" BINGHAM.

Kinwsha, Mar. 23.

The War Memorial:

Bad Conditions Described

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—Now that the Council have disposed of the question of the Pivotal Boys and their terms of employment perhaps what to them appears to be a matter of minor importance might engage their attention. I refer to the state of the Allied War Memorial and its immediate surroundings. The chairman of the United Services' Association at their annual general meeting referred to the matter and after making a personal inspection this morning I marvel at the restraint he used. The approach to the Memorial was obstructed by numerous food vendors and their stalls and the base was occupied by coolies taking their meals. Bits of food and peanut shells littered the steps, and on walking round the base one noticed that the corners at the rear had been used as urinals and for some considerable time judging by the odour. A wooden shed on the north side adjoins the Memorial and is used as a tally office by local coal merchants which adds to the general state of filth and untidiness.

As, one who left Shanghai for the War with one of the early contingents and one who numbers comrades and relatives whose names appear on our local War Memorial, I strongly protest against its present state of neglect and trust those responsible will rectify matters as speedily as possible. I regret my position in the city prevents me from signing this letter which I hope you will find space to publish in your correspondence column.

ARCADIA.

Shanghai, Mar. 30.

On the Bridge:

A Pleasant Interlude

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—Your short leaderette in yesterday's paper on the above subject reminded me of an experience last June. All arrangements had been made for my sailing to Nagasaki except the Japanese consular visa.

As I approached the Garden Bridge, I was halted by the Japanese sentry. By his gesticulations, I understood that I might cross the bridge, but not my rickshaw. Now it was raining in torrents, how could I, an elderly woman, walk across that bridge on foot and then to the Consulate in the pouring rain? Smiling at him, waving my passport book, I suddenly cried out *Ikimasen*. He grinned, then said to me: *Matt, matt*, crossed the bridge to the Hongkew side and returned with a rickshaw. He ordered his rickshaw to place itself alongside of mine, then motioned to me to get into it. I was able to change rickshaws without getting wet. Naturally, I gave him a broad smile of gratitude and a hearty *Arigato*, all of which he acknowledged by a military salute.

May I add that after a delightful stay of three months in Japan I am convinced if we foreigners greet the military here with the same kindly courtesy as their people show us in their country, much friction and unpleasantness might be avoided. A few words in their language too are helpful.

This puzzle me. I had not heard or used the Japanese word *Ikimasen* (I cannot do it) for eleven years, when I was in Japan, yet in that moment of desperation it came to me. In what brain cell had it lain dormant all these years?

OLD RESIDENT.

Shanghai, Mar. 29.

Western Area:

How the P.W.D. Works

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—WESTERN INHABITANT'S letter in today's issue of the "N.C.D.N." prompts me to address him thus: It does not behave you, WESTERN INHABITANT, to criticize municipal departments, such as the P.W.D., until you are acquainted with the code under which they work. You would hesitate to criticize a football referee or the conductor of the Municipal Orchestra without an intimate knowledge of the subject. For your special benefit I will enunciate one of the P.W.D.'s "axioms" which is: "If an unauthorized structure is not on the records it does not exist." So you now see how unjust your criticism of this department has been. You may invite the P.W.D. to inspect an unauthorized structure to prove its existence; but, even then, the chances are that should it be removed it will never have existed.

As an example I will give you the case of a particular friend of mine who lost a lot of his belongings in a concrete building in the Eastern District during the recent hostilities, his claim for loss on the Japanese was temporarily disallowed by his consul on the grounds of the building never having existed. This information was supplied by the P.W.D. in writing in spite of the fact that a signed statement by a responsible person was in the consul's possession, and, also, in spite of the fact that the walls of the building still exist.

WEARY.

Shanghai, Mar. 28.

Was an Opportunity Missed?

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—What WESTERN AREA writes about the lost opportunity with reference to the lack of foresight on the part of the S. M. C. officials is correct. May it not be revealed that in August, 1937, certain persons approached O.K. with the proposition that the Western Area should be "so administered" and that O. K. gave a silent consent?

It is now not too late to remind the S. M. C. high hats of their all-around responsibilities. Are they going to spend as usual their week ends in "recreation" or in earnest prayer and "planning" as they should in this unprecedented wartime?

A RESIDENT.

Shanghai, Mar. 29.

"Gunga Din":

Is It a Comedy?

To the Editor of the "NORTH-CHINA DAILY NEWS"

SIR,—I am pleased to read that the present showing of "Gunga Din" in Shanghai is only a limited roadshow and that it will not be shown again in Shanghai for at least six months. As a gesture to the intelligence of Shanghai cinema-goers, the management ought to see it is never shown here again unless it is properly advertised as a comedy. Of the flood of celluloid trash emanating from Hollywood since the depression, or recession, or whatever business term Hollywood producers apply to explain a misadventure although it cost a lot of money, "Gunga Din" is outstanding.

Admittedly, there is nothing much in the poem on which a good plot could be based but the two play-rights and the two expensive scenario writers have done a poor job of work. One gets the impression that Gunga Din was introduced into the film as an afterthought in order to justify the title. No wonder the character—Rudyard Kipling—accompanying the relief column—the commander of which ought to have been court-martialed for his laxity—looked so miserable and glum. His attention was probably concentrated all the time on Victor McLaglen, who, as a British ex-soldier, ought to be ashamed of himself for murdering the uniform he used to wear. The picture carries the names of Sir Somebody Somebody and even a Sergeant-Major as technical advisers but either their advice was only rarely solicited or else sergeant-majors are deteriorating from my days which doesn't look so good for our new re-armament programme.

Anyhow, there is one consolation. The North-West frontier problem is easy of solution in the capable hands of Cary Grant, Victor McLaglen and Douglas Fairbanks, Jr., and we ought not to hear anything further from that part of the world—the North West frontier, I mean, not Hollywood or else we should have to put our Shanghai Sikh police troopers in the field to show the Hollywood Cossacks how Sikh troopers ride.

CINEMA-GOER.

Shanghai, Mar. 28.

LETTERS TO THE EDITOR (continued)

House Rents:

Verdun Terrace Complaint

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—I have patiently waited for a period of some ten days for one of the tenants of Verdun Terrace to raise his or her voice in protest at the announcement of an extraordinary surcharge on house rent made by the Cathay Land Co., which is to become effective on May 1.

For the benefit of those who do not happen to be in contact with tenants of the terrace I can give my own case as an example.

When I rented my present house, just prior to the 1937 hostilities, I paid C.\$75 per mensem, with an annual contract. At the time of expiration of the contract last fall I received a curt notice that the company will enter into no contract of any sort, and that the rent, from the date, is raised to C.\$85. Considering the local situation this seemed to be fair enough.

And now, like a bolt out of the blue sky, I receive a stereotyped chit, which states, just in so many words, that the rent on my house will be C.\$105. No reasons and no explanations. Surely, there must be a limit to this.

Hoping to hear some opinions of other tenants of the hapless terrace.

OUTRAGED.

Shanghai, Mar. 28.

The Uselessness of Protest

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—The letter by OUTRAGED in this morning's issue of your esteemed publication is only one of many which should be written and published in your columns, if they are not a pure waste of time and space.

OUTRAGED complains his rent is to be increased from \$85 to \$105, a mere 23½ per cent., and complains no reason or explanation was sent along with the advice of increase as of May 1. If it will make the increase more palatable I am sure the Cathay Land Co. will, in the future, give a good reason with the next increase—which should be due about October.

In the meantime I can offer a few reasons for this slight increase and there are no doubt many more if one just got down to the subject and concentrated. Gas, light and tax surcharges must be met by the principals of the Cathay Land as well as by ourselves and how can they increase income to meet increased expenditures if they don't increase rents? How can they be expected to realize what they consider a fair return on investment with the exchange rate what it is if they don't increase our rents? Aside from all this, when have they had or when will they again have such an opportunity to charge just what they like in the way of rents, and are they not legally within their rights?

A tenant of Kelmescott Gardens under the same management as Verdun Terrace showed me his chit which notified him his rent would be increased from \$150 to \$200 or 33½ per cent. under the same terms as his previous contract, which is no contract at all as he is not able, so he said, to obtain a yearly lease. He rented on my place in Verdun Terrace has been increased from \$70 to \$95 or 36 per cent., so it seems OUTRAGED is better off than some of us.

As these increases in rents bring in increased revenue to the F.M.C. there is little or no possibility of any help from that quarter, so what does OUTRAGED suggest be done about it?

INDIGNANT.

Shanghai, Mar. 29.

Another Sad Case

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—I wish to add my feeble voice to the protest against house rental increases by landlords.

In my own case, the matter seems a little different, as the house is in Japanese-occupied territory and owned by a countryman of my own although the agents are a foreign concern. When I rented the house last April, the rent was \$75 under a one-year contract. Seven months after the agents wrote to say that they had to cancel the lease for I had failed to give back to them a duplicate copy of the lease although they had for more than half a year been in possession of the original copy signed by me. They claimed repossession of the house at one month's notice. Knowing that this was a case of war-profiteering, I offered to pay \$85 a month from November in spite of the written contract and this was accepted. In the middle of January this year the agents again wrote me to say that they had to raise their rent from April 1 to \$98, or a further 16 per cent. increase that is to say almost 50 per cent. in 4 months. From a neighbour of mine I gather that the agents will not stop until they have put the rent

up to \$105, or almost 50 per cent. in all.

The agents explained that this was not a case of profiteering, but that they were going back to their original rental scheme operating before the outbreak of war. I asked for more particulars about their scheme and they said they had nothing to add. I should be very much obliged if any of your readers could show me a way out of my difficulty, as I have nowhere to move to. Their constant letters of demands and threats have given my little family a great deal of worry and I must do something to put my old wife and two children at ease.

CHINESE TENANT.

Shanghai, Mar. 31.

Suggestion to do Nothing

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—As another tenant of Verdun Terrace, upon whom this game of increased rent is being tried, I heartily second the protests which have appeared in your columns during recent days, and to "OUTRAGED" and "INDIGNANT" I tender the advice to let the matter slide and do nothing to satisfy the outrageous demands made by the Cathay Land Co. I have received no advance in pay to compensate for the decline of the dollar and the advance in the cost of food and clothing, and I am not going into debt to find money to satisfy these demands.

I may say this is not the first attempt made by the Cathay Land Co. to "jump" the rents in Verdun Terrace. About nine months ago the Company was busy sending out circulars notifying the tenants that owing to the decline of the dollar, henceforth the rents would be assessed in sterling at the day's rate of exchange! Well, thanks to the publicity given that little effort, nothing eventuated. Evidently some one got cold feet!

Then at the end of the year rents were advanced \$10, and now comes notice that commencing May 1 rent in my case will be advanced 33½! Well, we will see! I rather think the landlords have another think coming! The landlords provide nothing but the bare walls of the house, such as they are. I have to provide my own heat, light and gas, and pay my own taxes, in addition to the public utility surcharges, which our benevolent City Fathers so generously allow to continue in force.

ANOTHER VERDUN-ITE.

Shanghai, Mar. 31.

Another Substantial Increase

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—I would like to give support to DISGUSTED's point of view with regard to the above question, and incidentally to discover if there are any other tenants of the Cathay Flats who shared my outraged feelings on receiving from the Cathay Land Co. a brief notice to the effect that the rent would be increased \$27.85 per month. These are old property, and before the outbreak of the present hostilities a large proportion of them had been unoccupied for a considerable time. Many of us, I feel sure, are justified in making ends meet in these difficult times. But even so, we may have submitted, perhaps ungraciously, to a \$10 increase. But really this is going too far! What we want is a little of the proverbial British.

FAIRPLAY.

Shanghai, April 1

Protests Ineffective

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—This is a time when all Shanghai residents have one great grief in common, except landlords.

Letters recently appearing in your columns written by tenants of the Verdun Terrace signed OUTRAGED, INDIGNANT and ANOTHER VERDUN-ITE are endorsed not only by those residing in the Terrace, but by residents all over Shanghai whose common complaint is the outrageous demands made by landlords. Great sympathy is also felt for ANOTHER SAD CASE, a Chinese tenant who resides in Japanese-controlled areas.

A more recent case has, I understand, come before the notice of the general public, that of a large apartment house situated north of a Creek whose tenants have just received notice of an increase in rents ranging from 25 per cent. to 31 per cent. depending on the type of apartment rented.

It would appear that the only possible solution is that recommended by ANOTHER VERDUN-ITE whose "Suggestion to do Nothing" would no doubt meet the case.

It is all too true that, with very few exceptions, wage-earners have not received any allowance to compensate for the decline of the dollar and the various sur-

charges approved by the Shanghai Municipal Council, not to mention the high cost of living expenses in the way of food, clothing and other necessities, nor any increase in pay since the outbreak of hostilities.

So why not "just do nothing" in the matter of the intended increase in rent but continue to send the usual remittance, since protests are mere words, whereas if a concerted action is put into practice it is bound to prove beneficial to tenants concerned.

SYMPATHIZER.

Shanghai, April 1.

Suggestion to a Reader

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—In reply to the letter which was published in your columns of yesterday's issue, complaining about the rise of rent, I wish to ask you to grant me a space where I can express my personal opinion.

As far as circumstances are concerned and things have turned out, it is entirely a dream to seek for justice or reason in the district mentioned. A slight consideration will immediately show that a righteous man will not extend his business there, no matter how profitable the transaction will be. In other words, they are of such kind men who fixed eyes more devotedly on profit than on commercial morality. I still wonder that they will be so generous to stop the increase of rent when a higher bid of \$105 is reached.

I, therefore, strongly advise the complainant that he better remove his family to the international settlement where order is highly maintained and he will be protected by law. Besides, a rent of \$85 will certainly be enough to pay for rooms for a family of medium size.

PETER LEE.

Shanghai, Apr. 2.

Football History:

Survivors from the Eighties

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—I was interested to read in your paper of March 23, "Marine Engineer's Cup Has Long History." The first match Engineers v. Shanghai was played on February 12, 1891, but those two clubs played against each other for a good few years before 1891.

The Engineers had always some difficulty in getting a good team together as most of them were sailing in the coast steamers. I can remember one year when A. Lang was Captain of the Engineers; six or eight of us were Rugby players. It was a great game, though perhaps not very scientific, every now and again the whole team were after the ball, instead of keeping their place on the field, plenty of free kicks for handling. I think everyone enjoyed the game, though I have no doubt some of the spectators were a bit puzzled to know what game we were trying to play.

I don't know about the other Rugby players, but I myself had never seen Soccer played at home, all I knew about the game was what little I had learned from my friend Lang on our way out from home in 1891, he had been captain of the Dumbarton team, one of, if not the best in Scotland at that time.

I wonder if there are any others in Shanghai today who played for Shanghai or the Engineers in the eighties of last century.

OLD RUGBY PLAYER.

Shanghai, Mar. 30.

More Information Wanted

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—The letter of your correspondent, OLD RUGBY PLAYER, in this day's paper interests me very much and more especially in regard to football played in Shanghai during the eighties of last century.

In a speech made by Mr. A. W. Burkill at the Interport Rugby Football dinner to the South Wales Borderers in 1914 he mentioned that the Shanghai Football Club was resuscitated in 1892 and was principally a Rugby Club at that time. I have tried to trace particulars of the resuscitation referred to the press records of 1892 and 1893, but whereas I have found a reference to A. W. Burkill's own debut in Shanghai in 1893 as a Rugby player—"Burkill, at half, who secured one of the tries, played a good game and is certainly a most useful man to the team,"—I have not been successful in tracing any particulars of the actual resuscitation to which he referred, and it is possible that across the span of 22 years some error in the date given as 1892 may have occurred.

Would your correspondent, OLD RUGBY PLAYER, be so kind as to communicate with me care of the Foreign Y.M.C.A. as I should be greatly obliged for any help he could give me in clarifying the records of football in Shanghai during the "eighties" and early "nineties" of last century.

So far as my own knowledge goes at present there was remarkably little

football of any kind played in Shanghai in 1892 and 1893, and so rare was the phenomenon of football on the Recreation Ground that in an account of a Practice Rugby game on Saturday, November 19, 1892, we read in the invaluable columns of the "North-China Herald":—

Great interest was taken in the play by the spectators thronging from the Base Ball match to the Football ground, which was inside the Race Course, opposite the Grand Stand.

Thus, OLD RUGBY PLAYER would be so kind as to make himself known to me, I would much appreciate the opportunity of learning from him about this long past period.

W. BRUCE LOCKHART.

Shanghai, Mar. 31.

The Gentle Rain:

And Shanghai's Dirty Streets

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—There has been some heavy rain during the past twenty-four hours which, although it will spoil the week-end sport, is welcome because of the cleansing it will give this filthy city of ours. In other towns of the Far East (and in Europe) whenever there is heavy rain, it is the signal for the appearance of crowds of street cleaners with squeegees and brooms to clean up the pavements and gutters generally. In Shanghai rain would seem to be the signal for the street coolies to go into hiding, and golden opportunities for cleansing the streets are missed. True the dust which has been blowing about during the recent dry spell is now in suspension in the pools and gutters, but when the streets dry up it will be there again to blow about and spread tuberculosis and all the other filthy diseases. In other countries the street cleaner with his handcart is a familiar sight and he is instrumental in removing all the surplus dust and keeping the gutters clean. Why isn't this done in Shanghai?

Whilst this town is so overworked should not special steps be taken to keep the streets clean, rather than look upon it as a hopeless task and let things drift?

Could not special squads be organized for street cleaning and the water-carts used to supply the necessary water? Or isn't this provided for in the Land Regulations?

Do the Council ever use disinfectant to wash down the drains and gutters?

DISGUSTED.

Shanghai, April 1.

Safety First:

The Coming Campaign

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—An Executive Committee comprising the following gentlemen has been formed in relation to the Campaign which is sponsored by the Shanghai Municipal Council and supported by the French Municipal Council.

Messrs.—J. E. D. Shottler, M.B.E. China General Omnibus Co.; H. N. Muir, Shanghai Electric Construction Co.; R. W. Brewer, Ford Hire Service; R. R. Butler, Asia Theatres Inc.; A. Macgregor, Shanghai Telephone Co.; C. C. Newson, Yee Tsong Tobacco Co.; Kiat Tong, Shanghai Wheelers Association; Dr. Chung, Shanghai Rickshaw Owners Association; R. N. Swann, Automobile Club of China.

Mr. J. E. D. Shottler has been elected Chairman of the Executive Committee and Mr. Albert Pullen appointed Organizing Secretary and Treasurer. The office of the Committee is situated at Room No. 51, 17 The Bund, and the telephone number is 10704.

Having regard to the constantly increasing number of vehicles and pedestrians using our thoroughfares due to abnormal conditions and the number of serious accidents occurring daily the Committee has decided to sponsor a "Safety First Campaign" and to inaugurate the campaign with a "Safety First—No Accident" week in the near future.

Sub-Committees have been formed to work out the various details concerning the different aspects to be cared for and these will include Propaganda, Traffic, Pedestrian, and Technical experts.

The Executive and Sub-Committees will work in collaboration with the Dept. S.M.C., this Department being at all times represented on the Executive Committee.

All associations, institutions, schools and individuals, Chinese and foreign, having a wide appeal, will be asked to assist in making the effort an effective and useful contribution towards solving this grave problem.

A very special effort will be made to reach the illiterate section of the community and to teach them the need to care for themselves when using the roads.

The campaign will include the use and display of specially prepared

"Safety First" films, advertisement film appeals, educational programmes with respect to private chauffeurs, hire car chauffeurs, truck and lorry drivers, tramways and omnibus servants, whilst it is hoped to reach the schoolchildren through the co-operation of the educational authorities. Hoardings, and conveyances will display warnings whilst rickshaw coolies and cyclists will all be appealed to.

The purpose of this letter is to keep your readers informed as to the initial steps taken, to ask all educated pedestrians to take more than usual care when using the roads and to insist upon the observance of traffic regulations by their servants, chauffeurs, rickshaw pullers and cyclists, as by so doing, the first step is taken in educating the masses to the need of "Safety First" observances.

In conclusion may I ask for the assistance and co-operation of all important hongs and industries, and if they have any constructive suggestions, not to hesitate to send them in.

ALBERT PULLEN,

Organizing Secretary.

Shanghai, April 1.

Vegetarianism:

Copy of Book Wanted

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—In reply to ANOTHER VEGETARIAN I have tried three leading book stores in town without success in an effort to secure a copy of "Attractive Food Reform" as suggested by your correspondent. I shall, therefore, consider it a favour if the party will be good enough to advise me where I can secure such a copy as I am anxious to procure information that will lead to a well-balanced diet without the use of meat.

WOULD-BE VEGETARIAN.

Shanghai, Mar. 29.

Vegetarian Congratulated

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—May I congratulate VEGETARIAN on his common sense in adopting a meatless diet.

I agree that the average vegetarian menu is apt to become a trifle monotonous but there are ways of preparing vegetables which made them more attractive and nutritious.

Some two years ago a society was formed to propagate the principles of vegetarianism and to disseminate information on this subject, but owing to the hostilities and the departure of several of its officials, the society got no further than its formation.

I understand that a public lecture on the principles of vegetarianism is to be given at the Theosophical Hall, 75 Jessfield Road on Thursday, March 30 at 6 p.m., and I suggest that if those interested care to meet there, preparations might be made to revive the Chinese Vegetarian Society.

F. T. S.

Shanghai, Mar. 29.

Bouillabaisse:

In Answer to Gourmet

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—This Bouillabaisse a noble dish is, a sort of soup, or broth or brew, a hotch-potch of all sorts of fish. That Greenwich never could outdo: Green herbs, red peppers, mussels, saffron.

Sol's: onions, garlic, roach and dace....

The recipe for Bouillabaisse is a famous one from Marseilles. I have substituted for the long list of fish in the original those which are obtainable here in China.

Ingredients: A small lobster, turbot, cod, eel, crab (total weight of fish meat about 2 lbs), a handful of clams in shell (small ones), two large onions, 3 cloves of garlic, 2 tomatoes, a sprig of thyme, 1 lb of parsley, 1 bay-leaf, a strip of orange peel, 1 cup olive oil, salt and pepper and pika, a good pinch of saffron, and boiling water to cover the fish. Slices of bread (small round French Bread).

Method: Cut fish in small pieces (about an inch and half). Put chopped onions, crushed garlic, chopped tomatoes, oil, herbs and orange peel in saucepan. These should be cooked slightly and then add fish and cover with boiling water. Boil rapidly for ten minutes. Have slices of bread in soup plates and strain the liquid onto them. This can be served separately if desired, but the Marseilles style is to place the fish, clams, crabs, etc. on the same plate with the soup. Sprinkle with finely chopped parsley. Fast cooking is essential for proper mixing of oil and water.

It is wise to have the serviette fastened well under the chin and then fall to.

MRS. A. DITTMAN.

Shanghai, Mar. 28.

SPORTS AND PASTIMES

Cambridge Wins Boat Race

Light Blue Crew Refuses to Relinquish Early Advantages, Leading Over Entire Course

SPECIAL TO THE "N.C.H.N."

APR. 2.

COMPLETELY surprising all rowing critics, who had predicted an easy Oxford victory, Cambridge University emerged easy victors in the annual boat race yesterday, gaining a lead at the start of the gruelling course which they never lost in spite of valiant efforts on the part of a very ragged Oxford crew. Cambridge's time for the 4 1/4 mile course from Putney to Mortlake was 19 minutes and three seconds and as they flashed by the winning post a good four lengths ahead of a very tired Dark Blue crew, they put paid to Oxford's chances of winning three consecutive races. To date Cambridge has won 48 races to Oxford's 42, one race having ended in a draw.

Weather conditions for the race were not perfect, a fairly dense fog hanging over the river, but the water was quite calm in contrast to the conditions which had existed during the trials. There was a slight following wind which was to the advantage of both crews and the crowd this year was as dense as ever, people shouting themselves hoarse on both sides of the river throughout the whole length of the course.

Massie, the Oxford cox, who weighed only 5 stone 2 pounds, was the smallest man ever to have taken part in a boat race, a special seat having been fixed for him 18 inches behind the normal position of a cox, right over the canvas of the boat. The Cambridge boat, as it came out of the boathouse, was observed to be without washboards.

With a difference of 3 1/2 stone between the coxes, the Oxford crew still possessed an advantage in weight of 1 1/2 stones which was easily noticeable as the two crews emerged on the water, and later, as Massie overhauled his crew, their extra weight seemed to be greater. The record for the course was 18 minutes 3 seconds made by Cambridge in 1934.

The Cambridge crew were first on the river, huge crowds cheering them as they placed their boat in the water prior to rowing out in midstream to make their way slowly towards the stake boat where the race was to commence. Amid deafening cheers Oxford, the favourites, followed the Light Blues a few minutes later and rowed in the wake of the Cambridge boat.

Surprising Choice

At the stake boat Oxford won the toss and, to the surprise of everyone, chose to row on the Middlesex side of the river. In view of the weather conditions—all landmarks on both sides of the river were obliterated by a fairly dense fog and an easterly wind was directly behind both crews this was a wise choice, although in former years the Surrey side had always been favoured by the crew lucky enough to win the toss.

A silence now came over the dense masses packed like sardines on both banks of the river as the two boats manoeuvred into position prior to the start. With the words "Are you ready?" from Mr. Rathbone, the old Oxford Blue acting as umpire in the race, the coxes raised their hands and both crews tensed before the fateful "Go" rang out across the water.

With the cheers of the thousands of spectators ringing across the Thames, both crews got away to a flying start, Cambridge going ahead slightly during the first few minutes owing to possessing the advantage of the Surrey bank. Rowing a slightly faster stroke, Cambridge continued to hold a slight lead but at the Boat-houses the crews were dead level.

Cambridge Goes Ahead

The Light Blues then increased the lead to a quarter of a length as the first bend was reached and, with the advantage of the inside of the curve, continued to hold the advantage. At this stage of the race Oxford, commencing with a stroke of ten, had accelerated to 39 with Cambridge rowing wonderfully well at 40.

Still forging ahead to the surprise of all spectators, who had anticipated an easy Dark Blue victory, Cambridge increased the lead to half a length, going further ahead when the Oxford boat seemed to be in difficulties.

At the Middlesex bend the Light Blues were three quarters of a length up, maintaining the same lead as Craven Steps were reached. Here the fog was very dense but the Cambridge cox, steering remarkably well, did not allow his crew to lose ground and Oxford, rowing very hard and floundering a little, was left behind.

With Hammersmith Bridge in sight Oxford picked up a little, Cambridge having increased the lead to one length with a hope of a further ad-

vantage to come when the big bend the mile post the Light Blues bent at Hammersmith was reached. At still one length ahead, rowing 36 to Oxford's 22.

Oxford's Gallant Effort

Then the Dark Blues made another gallant effort and the Light Blues, who had forged ahead by one and three quarter lengths, were overhauled by the Oxford crew, who brought down the difference by a quarter of a length.

As Hammersmith Bridge drew nearer the Oxford crew, who had been ragged up to this point, seemed to settle down a little but the Light Blues, working like automatons, were two lengths ahead at Harrods and, with the water favouring their boat, continued to hold the lead despite the valiant efforts of the Dark Blues, whose cox, shouting through a megaphone, endeavoured to increase the stroke of his crew.

When the two crews finally flashed under the bridge Cambridge was two and a half lengths ahead with Oxford rowing very unsteadily, well in their wake. Making a supreme effort, however, the Oxford cox urged his men to increase their stroke and half a length was gained by the Dark Blues who appeared to be very tired. The times at the Bridge were Cambridge 7 minutes 13 seconds and Oxford 7 minutes 21 seconds.

Increasing the lead to three lengths, the Light Blues seemed to have the race well in hand at this point, rowing 35 to Oxford's 36 and still possessing the advantage of the Surrey side. By this time the Oxford style was very ragged and with half the course finished the Dark Blues dropped down to 32 with Cambridge maintaining a steady stroke at 39.

Still ragged, the Oxford boat dropped two and a half lengths behind but the Cambridge crew, rowing with a poise and rhythm that completely astounded all critics, continued to gain as each landmark was reached and at Chiswick Steps, with both coxes a little off their courses, were three lengths in front.

At Dukes Meadows the Light Blues were still three lengths ahead, the times of both crews at Chiswick Steps being Cambridge 11 minutes 30 seconds and Oxford 11 minutes 42 seconds. As Barnes Bridge was approached the Oxford crew came over on to the Middlesex side of the river in the wake of the Cambridge boat but by this time the Light Blues had hit their right form and were rowing with an ease and rhythm that was delightful to watch in contrast to the ragged efforts of the tired Dark Blues.

Light Blue Victory

As Barnes Bridge was reached Cambridge shot under the structure 3 1/2 lengths ahead, both crews rowing at 36 strokes. Their times were Cambridge 15 minutes 51 seconds and Oxford 16 minutes and three seconds.

With the last bend in the river and the Mortlake Brewery in sight Cambridge were a good three and half lengths in the lead, increasing their advantage to 4 lengths as Chiswick Bridge was reached. By this time Oxford, sensing that defeat stared them in the face, drove on to greater efforts but soon dropped back into a ragged style with Bingham, the stroke, pulling short as if he was very tired.

Rowing like men inspired with the end in sight, the Light Blues flashed past the winning post a good four lengths ahead of the Oxford crew, who immediately flopped down in their seats as they followed the victorious crew. Absolutely rowed out, the Oxford stroke lay prone across his car while the rest of the crew were not able to proceed to the shore for several minutes. By this time the victorious Cambridge crew was dragging the winning boat out of the water and receiving the congratulations of hundreds of people who rushed to meet them. Some minutes later Oxford slowly followed and several hearty cheers were given for

Final Football Standings

Shanghai, Mar. 29. After many months of hard-fought football, it is the Seaforth Highlanders who top the list by an impressive margin in the First Division, with nineteen points to their credit, according to the final standings as issued yesterday by the Shanghai Football Association. The only unbeaten team in the senior league, the Seaforths finished five points ahead of Tung Hwa, their nearest rivals, while the Association Sportif Francais, last year's league champions, take third place with twelve points.

The season's play showed that several teams were misplaced in the divisions to which they were assigned the most glaring cases being Aurora in the First Division and Lido in the Third Division. Aurora was not completely outclassed scoring not one goal in ten games while 64 were piled up by other teams. Lido, on the other hand, was obviously of First Division calibre while scoring 99 goals against feeble Third Division opposition, winning every game, to say nothing of the Skottowe and Junior Cups.

Cotton Wins £2,000 Golf Tournament

SPECIAL TO THE "N.C.H.N."

Bournemouth, Apr. 1. Henry Cotton won the "Daily Mail" £2,000 Professional Golf Tournament here today when he aggregated 141 in the play-off over 36-holes. Archie Compston was runner-up, with a score of 145.—Reuter.

Following are the final standings.

1st DIVISION (AS PLAYED TO DATE)				
Seaforths	P. W. D. L. F. A. Pts.			
Tung Hwa	10 8 1 0 45 15	19		
A.S.F.	9 5 2 2 33 24	12		
S.M.P.	10 2 0 0 33 20	12		
S.F.C.	8 4 1 3 29 23	9		
S.F.X.	10 4 0 6 49 40	8		
East Surreys	8 3 3 3 33 23	4		
Lusitano	7 0 0 0 25 33	4		
Aurora	0 0 0 0 10 8	4		

1st DIVISION (ONE HUNDRED ONLY)				
Seaforths	8 7 1 0 35 13	15		
Tung Hwa	8 5 0 3 22 18	13		
S.M.P.	8 4 1 3 29 25	9		
A.S.F.	7 3 2 2 27 29	8		
S.F.C.	8 4 0 4 39 31	8		
Surreys	7 3 2 2 28 16	8		
S.F.X.	8 3 3 0 42 26	4		
Lusitano	8 0 0 8 7 57	0		
Aurora	0 0 0 0 8 7	0		

2nd DIVISION				
Tung Hwa	8 6 1 0 39 14	14		
Seaforths	8 7 1 1 38 16	13		
S.M.P.	8 6 1 1 37 16	13		
A.S.F.	8 5 0 3 31 20	10		
S.F.C.	8 4 0 4 38 30	8		
Aurora	7 2 0 5 19 30	4		
East Surreys	8 2 0 6 16 45	2		
S.F.X.	7 1 0 6 14 48	2		
Lusitano	8 1 0 7 11 40	2		

3rd DIVISION				
Lido	9 0 0 0 9 5	10		
P.T.H.	9 7 1 1 63 18	15		
Rowing Club	9 6 0 3 38 14	12		
Area Details	8 5 1 2 28 9	11		
R.A.M.C.	9 5 0 4 30 29	10		
Perks United	7 5 0 2 13 23	10		
Bramtoco	6 3 2 1 26 14	8		
Xaverians	8 4 0 4 25 31	8		
Tung Wen	9 3 0 6 18 33	6		
Villaz	11 3 0 8 29 60	6		
Husian Club	9 0 1 8 25 75	2		
Belair	9 0 1 8 11 46	0		
"S" F.C.	4 0 0 0 0	0		

Results of Football League Play Here

Shanghai, Apr. 1. A notice was issued yesterday by the hon. secretary of the Shanghai Football Association stating the Committee had decided to award the League Division titles as follows: First Division.—Won by the Seaforth Highlanders on a basis of one round only.

Reserve Division.—Won by Tung Hwa. Second Division.—Won by the British Navy. Third Division.—No winners declared—schedule not completed.

a gallant crew who had rowed a magnificent race against great odds. The crews, with weights, were as follows:—

OXFORD:—Huse (12 st. 7 lb.), bow; Garton (11 st. 10 lb.); Slemec (13 st.); Stewart (13 st. 2 lb.); Bur-nell (14 st. 1 lb.); Forbes (13 st. 5 lb.); J. R. Bingham (of Bedford) (10 st. 13 lb.), stroke; Massey (5 st. 1 lb.), coxswain.

CAMBRIDGE:—Addison (12 st. 3 lb.), bow; Turner (12 st. 3 lb.); Burrough (12 st. 5 lb.); Savill (13 st. 1 lb.); Parker (13 st.); Turnbull (13 st. 8 lb.); Buxton (13 st.); Sandford (12 st.); stroke; Smith (8 st. 9 lb.), coxswain.

Two Badminton Championships

Shanghai, Mar. 28. Two of the Shanghai Badminton Association championships changed hands yesterday evening at the Country Club where, before a large crowd of spectators, Eardley beat Meise in the Men's Singles and Mrs. Gresley defeated Miss Gately in the Ladies' Singles, the losers in both cases being last year's holders. The final of the Whalley Shield also took place, resulting in no change, Australia being the victor over Portugal. That these changes in the titles did take place was not unexpected although it was not anticipated that Mrs. Gresley would have such an easy victory over her opponent.

Season Closes

Shanghai, Mar. 29. The badminton season officially closed yesterday evening when, at the Country Club, the remaining three finals of the Shanghai Badminton Association championships were played. These resulted in wins for Miss Gately and Eardley over Mrs. Burton and Meise in the mixed doubles, Mme des Courtis and Miss Eardley over Mrs. Gresley and Miss Holwell in the ladies' doubles and Kew and Stokes over Meise and Flood in the men's doubles. Thus, for the first time in a great many years, Meise has not survived the final of any of the championships.

CHAMPIONSHIPS Ladies' Singles.—Winner: Mrs. Gresley. Runner-up: Miss Eardley. Ladies' Doubles.—Winners: Mme des Courtis and Miss Eardley; Runners-up: Mrs. Gresley and Miss Holwell. Mixed Doubles.—Winners: Miss Eardley and Eardley; Runners-up: Mrs. Burton and Meise. Men's Singles.—Winner: Eardley; Runner-up: Meise. Men's Doubles.—Winners: Kew and Stokes; Runners-up: Meise and Flood. Whalley Shield.—Winners: Australia (Eardley and Kew); Runners-up: Portugal (de Senna and da Silva).

LEAGUES Ladies' Doubles.—Winners: Country Club "A." Mixed Doubles.—Winners: Union Mech. Men's Doubles (1st League) Clube Lusitano. Men's Doubles (2nd League) C.S.F. "B."

Shanghai Yacht Club Annual Meeting

Shanghai, Apr. 1. The annual general meeting of the Shanghai Yacht Club took place yesterday evening at the Metropole Hotel when Vice-Commodore R. Lock in the absence of the Commodore, presided over a gathering of the keener yachtsmen. Despite the hostilities, the Yacht Club had continued to function and will again this year provide interest and competition for those who follow this form of sport. H. M. Mann was re-elected as Commodore to the Club, while R. Lock again assumes the position of Vice-Commodore and O. D. Terrill the position of Rear-Commodore. F. C. Warburton will be the Hon. Treasurer and J. C. Boldero will undertake the duties of Honorary Secretary. R. L. Evans, W. Hamilton, Dr. J. D. Riddell and J. S. Kenyon will form the General Committee, and Dr. H. Blakelock will be the Honorary Sailing Secretary. Maj.-Gen. A. P. D. Telfer-Smollett has been elected an Honorary Life Member upon his departure from Shanghai, in view of his keen interest during his stay in Shanghai.

Anglo-French Rugby Quarrel Ends

Paris, Mar. 26. It has been unanimously decided by Directing Committee of the French Rugby Federation to adopt the proposals received recently in a letter from the Secretary of the four British Rugby Unions. The Federation is certain to confirm the decision and the first match will probably be played against Scotland next January. The British letter, summarized, states: 1. Amateurism is to be entirely respected by players as well as directors; 2. Paid trainers are to be abolished; 3. Expelled players must not play again until their case is considered by a competent Commission; 4. Rules of the International Board are to be applied integrally; and 5. Friendly matches should be the basis of the game. The letter politely advised the abolition of inter-club championships.—Reuter.

Tennis Dates in U. S.

New York, Mar. 30. The dates for the outstanding lawn tennis events in the United States this year were decided upon as follows in New York at the annual meeting of the United States Lawn Tennis Association: Wightman Cup (Great Britain v. America), Forest Hills—August 25 and 26. American Doubles Championships, Brooklyn (Mar.)—August 14 to 19. American Singles Championship, Forest Hills—September 7 to 16.—Reuter.

Local Tennis Body Elects Officers

Shanghai, Mar. 30. Sir Herbert Phillips was re-elected President of the Shanghai Lawn Tennis Association for the 1939 season at the Annual General Meeting which was held yesterday afternoon at the Foreign Y.M.C.A. With the exception of only two changes, Mr. S. S. Hu taking the place of Mr. R. Grimshaw as one of the Vice-Presidents and J. G. Forbes replacing Mr. Hay Thorburn on the Executive Committee, all officials remained the same. The full list follows:— President:—Sir Herbert Phillips. Vice-Presidents:—Messrs. A. H. George, Ch. Grosbois, S. S. Hu, O. Okamoto. Referee:—Mr. Hay Thorburn. Secretary-Treasurer:—Mr. M. Spiegler. Executive Committees:—Sir Herbert Phillips, Messrs. A. H. George, S. S. Hu, Ch. Grosbois, O. Okamoto, G. F. Forshaw, J. L. Wade, J. G. Forbes, B. V. de Senna, M. Spiegler.

Austin Out for Tennis Titles This Season

London, Mar. 30. Keen followers of the game in England are becoming more and more of the opinion that there really ought to be some get-together on international lawn tennis fixtures. Bunny Austin, when asked if he meant to play in the French Championships this year replied: "Why yes." It was then pointed out that the French Championships end just one week before Wimbledon begins, and he looked a little shaken. There is no doubt Austin has set his heart on having a real go for both the French and British championships this year, and, in a field which has gone somewhat thin on top, if not positively bald, he has almost a favourite's chance. Austin usually does very well at the Stade Roland Garros, Paris, but stepping straight on to Wimbledon turf from a hard court different from any in England is enough to upset any player.—Reuter.

Rangers Regain Championship

Glasgow, Mar. 28. There were enthusiastic scenes in the streets of Glasgow today as the Glasgow Rangers, hope and pride of thousands of Scottish football followers regained the Scottish First Division championship by drawing with Clyde at Shawfield Park, thus gaining the single point required to ensure their victory. The score was 1-1 after a hard-fought battle. The result was all the more welcome in that Clyde recently defeated the Glasgow Rangers in the third round of the Scottish Cup at Broxy for four goals to one. The championship last season was won by the chief rivals of the Rangers, Glasgow Celtic, at present second in the league table this season. In another game played here today, at Firhill Park, Partick Thistle beat the Hibernians by four goals to one. The Scottish Cup final will be played on April 22 at Hampden Park.—Reuter.

Englishman First in Cross-Country Race

SPECIAL TO THE "N.C.H.N." Cardiff, Apr. 1. H. T. Holden, representing England, won the international cross-country race today in the time of 47 minutes and 19 seconds. E. Ghazi (France) was second, finishing the race in 47 min. 31 secs., while A. M. Rouches (France) was third, in the time of 47 min. 50 secs. Fifty-seven countries competed over the course of nine miles. France won the team championship, scoring 36 points, with England second with 95 points and Belgium third with 115 points.—Reuter.

Irish Government's £10,000 Grant

Dublin, Mar. 28. The Government of Eire has placed at the disposal of the Turf Club and Irish National Hunt Steeplechase Committee a sum of £10,000 to be allocated to racing stakes during the present year on conditions made by the Government and accepted by race authorities. The scheme is based on division of meetings into three classes. Class One is made up of five meetings, each of which is entitled to receive £900. Class Two of nine meetings, each to receive £400, and Class Three of 19 meetings, each to receive £100.—Reuter.

SPORTS AND PASTIMES (continued)

Lawn Bowls Club Annual Meeting

Shanghai, Apr. 1. The annual General Meeting of the Shanghai Lawn Bowls Club was held yesterday evening in the Shanghai Engineers Club, Mr. W. J. Monk, the President, being in the chair. Before the meeting opened the Chairman asked the assembly to rise in token of respect to three members who had passed away during the past year, Messrs. H. Brownell, W. J. Edwards and P. S. Godfrey. Special reference was made to the late Mr. Brownell, one of the founder members of the Club who always took an enthusiastic interest in its well-being.

The President then addressed the meeting and gave a running commentary on the events of the 1938 season which was the Silver Jubilee of the Club's foundation, on every improvement of the service, on which was a successful one particularly as regards weather, playing successes and the final Jubilee function which was held on October 9.

Change in Management

Reference was made to the complete change of the Club's interior working, particularly the taking over by the Club of its own catering arrangements, which had proved a distinct success both financially and an improvement of the service, on which the President spoke in detail. In connection with these changes the work of Messrs. F. Hornbrook, D. MacDonald and J. Munroe as members of the Bar Sub-committee were specially mentioned. Similar thanks were expressed to Messrs. L. J. Hughes, F. Hornbrook and G. Sinclair for their good work in looking after the greens, which, right up to the end of the season, had never been in better condition. Gratitude was also expressed to Mr. E. Jacobs, the Hon. Secretary, to Mr. T. Goodman, the vice-president and to all the remaining members of the Committee for the close support given to the speaker during his year of office.

The President then dealt briefly with the accounts before putting them to the meeting. Thanks were expressed to Mr. A. H. Childs for having kindly audited them. The accounts were adopted on a formal resolution by the President seconded by Mr. Wallace.

Increase in Subscriptions

The first resolution, which dealt with the increase of subscription was then dealt with. The President alluded to some of the considerations which led to the proposal to increase the annual subscription from \$20 to \$30. The points specially referred to were the necessity of placing the accounts of the Club in professional hands owing to the fact that the working of the new system of management calls for far more time than could be expected to be given by an honorary officer; the need for more revenue, particularly at the beginning of the season to provide for the heavy initial expenses such as ground rent, cost of erection of the hut and provision of bar stocks. Reference was made to the fact that in any case a subscription of \$30 for a six month's season was a very low rate. The resolution was adopted.

The President proposed a rider, which was duly adopted, by which special provision would be made for members playing abroad to remain on the annual subscription basis of \$20. This would apply to present members of the Club only.

A change in the rules governing the election of honorary members was then proposed by the President and subsequently adopted. This was an amplification of the existing rule which was so worded that honorary membership could only be given whilst the recipient was still a member. The change would make election possible after resignation. Honorary members in the Club as active players will not be exempt from payment of the annual subscription but would be exempted if they became non-active.

Mr. Monk then proposed that Mr. Charles M. Bain be elected to honorary membership of the Club. Mr. Bain's name was brought up a last year's annual general meeting but election was impossible owing to the then existing rule. An account was given of Mr. Bain's long service to the Club and the resolution was carried with acclamation. The President then referred to the intention of the outgoing committee to propose the name of Mr. Brownell as an honorary member which had now become impossible owing to his much regretted decease.

Before the meeting closed the President referred to the great improvements which had been made to the exterior decoration of the Club for

Yangtzepoo Bowling Club Annual Meeting

Shanghai, Mar. 31. The Yangtzepoo Bowling Club held its annual general meeting yesterday evening at the Shanghai Engineers Club, the President, Mr. L. Beattie, being in the chair. Before opening the meeting Mr. Beattie asked those present to stand as a token of respect to Mr. J. W. Wooterspoon, a popular member of the Club, who passed away during the past season. The minutes of the last annual general meeting were read and passed. As regards the accounts, these were considered to be in a healthy condition in spite of the loss which was shown on the working account. This loss arose from an extraordinary expenditure due to the results of the hostilities. Before putting the motion that the accounts should be passed the Chairman tendered his thanks for the services rendered by Messrs. J. A. Morton and R. Fyfe for auditing the figures.

The election of the committee and the officers for the coming year then took place. Three members of the outgoing committee are proceeding on leave. The three remaining members, Messrs. W. A. Bailey, R. Fyfe and A. Sharp, plus Messrs. W. Grant, F. C. McPherson and C. Thompson were elected to serve for the coming year. As the present Secretary, Mr. W. McMahon would also be absent during the summer Mr. R. M. Jordan was elected to take his position. The remaining officers will, by unanimous assent, remain the same as during the past season viz: President, Mr. W. Beattie, vice-president, Mr. D. B. Scrimgeour, captain, Mr. W. R. Chisholm and vice-captain, Mr. W. Simpson.

The meeting was then thrown open for discussion, the first question being the number of teams to enter in the Shanghai Lawn Bowls Association League. Although the ranks of playing members will be somewhat depleted during the season it was decided that a team should be entered in both the first and the second divisions.

Clubhouse to Be Improved

The incoming committee was authorized to spend sufficient money to put the clubhouse into a more presentable condition. In order to get back to something approaching the old degree of comfort, further repairs and replacements would have to be made, new furniture and certain fitting being required. An estimate had already been made and the committee was asked to proceed with the work as soon as possible.

Matters concerning the greens were then dealt with, it being decided to have these open every day of the week. Also it was agreed that members of the Police Recreation Club, Lawn Bowls Section, who were resident in the neighbourhood should be invited to make use of the Club, and also members of the Shanghai Fire Brigade stationed in Yangtzepoo.

Before closing the meeting, the President said that he felt sure that he was expressing the sentiments of members in voicing his gratitude to Mr. Kerr of the Parks and Open Spaces for all that this gentleman had done for them and he also wished to thank Mr. McMahon for so ably having carried out his duties of hon. secretary.

Valuable Players Leaving

Mr. Fyfe proposed a vote of thanks to Mr. Beattie stating that it was a pleasure to all that this gentleman would undertake the post of President for another season.

A stock-taking made after the meeting indicated that this year the Yangtzepoo Bowling Club are losing a number of valuable players. A. Cheetham and H. Finnigan, two of the skips, will be on leave whilst other League players, J. O. Drysdale, R. Matheson, C. R. Tanner and, as stated, H. McMahon will also be absent. J. Findlater, who took part in some of the Association games will be away.

Ireland Wins Hockey Championship

Dublin, Apr. 1. In a men's hockey match played here today, Ireland beat Scotland by 2-1, thereby retaining the championship.—Reuter.

which thanks was offered to Mr. and Mrs. C. A. Pratt.

A vote of thanks to the President was made and special reference to his services during the past year.

The officers for the coming year were elected with the following results:— President:—Mr. W. J. Monk; Vice-president:—Mr. H. Wallace; Captain:—Mr. T. Goodman; Hon. Secretary:—Mr. J. Henry; Hon. Treasurer:—Mr. F. Hornbrook; General Committee:—Messrs. F. C. Drakeford, E. R. Harmer, L. J. Hughes, D. MacDonald, C. A. Pratt, J. Ballot, General Committee:—Messrs. H. S. Bell, G. Sinclair, J. K. Scobie, W. A. Turnbull.

I. R. C. Race Meeting

By "THE CHASER"

Shanghai, Apr. 2. The first day of the International Recreation Club's Twenty-seventh Annual Race Meeting was held yesterday afternoon and although the weather did its best to keep the crowds away there were a great many in attendance. Several hot favourites were beaten and outsiders and less fancied ponies ran into the money. A sensation was caused by Bombardier who returned the biggest dividend of the day when he won by the Griffin Stakes from Bulletin to pay \$237 for a single win ticket while there were no backers on the winning combination in the forecast. With the total receipts carried forward to the next race the combination of Andy and Elfenfels in the third race rewarded the lucky ticket holders with a dividend of \$1,168. Andy was an outsider and paid \$89 for a win ticket to each of his 31 supporters.

1.—THE FLYING PLATE. ½ mile. Alberto (P. G. C.) 152 F. Marshall 1. Uncle John (I-Ping) 152 R. D. Parkin 2. Buffalo (Park) 163 S. Y. Sung 3.

Won by 2 lengths; 2 lengths. Time, 1:29 sec. Forecast Pool Race \$4. Winning Combination 3/4. Dividend \$507. Win, \$49. Places, \$8, \$12, \$5.60.

2.—THE EASTER SUB-GRIFFIN TRIAL PLATE. 1 mile. Special Delivery (We Two) 155 H. Maitland 1. Quick Change (Tomco) 147 C. Kew 2. Lore-Fels (Hardi) 153 E. B. Cumine 3.

Won by 2 lengths; 2 lengths. Time, 2:16 sec. Forecast Pool Race \$4. Winning Combination 3/4. Dividend \$19.20. Win, \$9. Places, \$5.40, \$5.80, \$7.20.

3.—THE GRIFFIN STAKES. ¾ mile. Bombardier (Bellenden) 149 Gabor Renner 1. Bulletin (Anvil) 159 R. D. Parkin 2. Merry Kingman (C. S. 3) 153 C. P. Gram 3.

Won by short head; 1 length. Time, 1:38 sec. Forecast Pool Race \$5. Total Chances Taken—654. No ticket was sold on Winning Combination 8/6.

The proceeds of \$327.00 is carried forward to the next Forecast Pool. Win, \$237. Places, \$31.80, \$11.20, \$6.40.

4.—THE AUCLAND PLATE. 11 furlongs. Andy (Winsome & Hasty) 155 Y. S. Chang 1. Elfen-Fels (Hardi) 150 E. B. Cumine 2. Second Thoughts (The Farmer) 152 C. G. Jack 3.

Won by 3 lengths; 2 lengths. Time, 3:15 sec. Forecast Pool Race \$5. Total Chances Taken—2407. And brought forward from previous race 654—Grand Total 3061.—Dividend \$119.00. 11 tickets sold on Winning Combination 5/3. Win, \$69.40. Places, \$20.20, \$15.40, \$15.40.

5.—THE SHANGHAI RACE CLUB CUP. 11 furlongs. Neville (The Wise Co's) 155 Y. S. Chang 1. Hongkong Beauty (Beauty) 153 Y. S. Chang 2. Danbury (Lawson) 152 C. L. Wong 3.

Won by ¾ lengths; 3 lengths. Time, 3:13 sec. Forecast Pool Race \$5. Winning Combination 3/4. Dividend \$32.80. Win, \$13.80. Places, \$6.80, \$6, \$13.20.

6.—THE KOKAZA PLATE. 9 furlongs. Anything Goes (G. Pollock & John Sparke) 152 John Sparke 1. Fleeting Bow (G. C. Sharp) 150 F. Marshall 2. Fairlight (Cire) 155 J. Pote-Hunt 3.

Won by 1 length; 2 lengths. Time, 2:52 sec. Forecast Pool Race \$5. Winning Combination 3/7. Dividend \$174.20. Win, \$29. Places, \$8.60, \$6.60, \$7.40.

7.—THE RED ROSE STAKES. 1 mile. Magic Circle (Mrs. McNeil) 152 J. Pote-Hunt 1. Honeymoon Gift (Lok) 156 J. B. Lok 2. Flyinglight (Cire) 158 J. Pote-Hunt 3.

Won by 4 lengths; many lengths. Time, 2:12 sec. Forecast Pool Race \$4. Winning Combination 3/2. Dividend \$122.00. Win, \$5.40. Places, \$5.40, \$5.40.

8.—THE SPRING PLATE. ¾ mile. Rye (A. S. Henchman) 151 A. F. Clark 1. Frostlight (Cire) 163 J. Pote-Hunt 2. Phantom (C. S. Franklin) 155 Gram 3.

Won by 3 lengths; ¾ length. Time, 1:59 sec. Forecast Pool Race \$5. Winning Combination 3/4. Dividend \$41. Win, \$24.40. Places, \$7.50, \$6, \$14.60.

9.—THE MERCHANTS PLATE. 1 ½ miles. Roehampton (A. S. Henchman) 155 A. C. Clark 1. Cordon Rouge (Mrs. Jack Liddell) 155 John Sparke 2. Cherrylight (Cire) 158 J. Pote-Hunt 3.

Won by a head; 4 lengths. Time, 2:53 sec. Forecast Pool Race \$4. Winning Combination 3/2. Dividend \$28. Win, \$12.20. Places, \$5.40, \$6, \$8.40.

10.—THE COSMOPOLITAN HANDICAP ("A" Class). 9 furlongs. Night Express (R. H. McNeil) 155 Gabor Renner 1. Don Pedro (Whitely) 154 C. G. Jack 2. Boher (H. & K.) 156 T. L. Wong 3.

Won by 1½ lengths; 1 length. Time, 2:29 sec. Forecast Pool Race \$4. Winning Combination 2/3. Dividend \$87.60. Win, \$28.40. Places, \$9, \$13.60, \$7.40.

11.—THE COSMOPOLITAN HANDICAP ("B" Class). 9 furlongs. Duke of Cornwall (Hans Luft) 151 R. Morgan 1. The Swan (Winsome & Hasty) 149 A. Noodt 2. Going Slow (E. M. H.) 150 E. B. Cumine 3.

Won by ½ length; 2 lengths. Time, 2:32 sec. Forecast Pool Race \$5. Winning Combination 1/4. Dividend \$151.40. Win, \$22.40. Places, \$13.60, \$15.60, \$22.60.

12.—THE COSMOPOLITAN HANDICAP ("C" Class). 9 furlongs. Little Joe (Lawson) 143 J. Pote-Hunt 1. Winheim (H. H. McNeil) 150 F. Marshall 2. Evesham (Sing Lee) 145 R. Robertson 3.

Won by 2 lengths; 3 lengths. Time, 2:34 sec. Forecast Pool Race \$5. Winning Combination 3/9. Dividend \$20.90. Win, \$42.40. Places, \$13.60, \$10.80, \$14.80.

Rugby League Result

SPECIAL TO THE "N.C.H.N."

London, Mar. 28. The following is the result of a Rugby League match played today:—Liverpool 5, Keighley 0.—Reuter.

London, Mar. 29. The following are the results of Rugby League matches played today:—Hunslet 15, Bramley 6. Huddersfield 5, Bradford 0. York 4, St. Helen's Rec. 3.—Reuter.

London, Mar. 30. The following is the result of a Rugby League match played today:—Borrow 9, Widnes 2.—Reuter.

London, Apr. 1. Many spectators were injured when the grandstand collapsed during the semi-final of the Rugby League Cup at Rochdale, between Wigan and Salford. Play was interrupted for six minutes. The match was won by Salford, by the convincing score of 11-2.

In the second semi-final of the Rugby League Cup, played at Bradford, Halifax beat Leeds by 10-4. Halifax will now meet Salford in the final.

Following are results of Rugby League matches played today:—Ratley 20, Hull Kingston R. 0. Bramley 10, Broughton R. 7. Castleford 12, York 9. Huddersfield 12, Work 4. Huddersfield 62, Rochdale H. 5. Hull 20, Featherston R. 9. Hunslet 9, Dewsbury 4. Keighley 4, Bradford N. 5. Leigh 8, Barrow 2. Oldham 4, Warrington 12. Oldham 26, Wakefield 10. Swinton 12, Widnes 0.—Reuter.

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Home Soccer Results

Glasgow, Mar. 29.

A crowd of 40,539 Scotsmen braved cold and rainy weather here today to lock to Ibrox Park to see Motherwell conquer Aberdeen by 3-1 in the semi-final of the Scottish Cup. As a result of the victory, Motherwell will meet Clyde in the final. Early play in today's game favoured Motherwell, the team being slightly superior as regards gaining round, but unable to convert this superiority into concrete form in the shape of goals. It was apparent even in the first few minutes that Motherwell's wingers would bear the main responsibility for victory or defeat, as they were given most of the ball. Aberdeen seemed unsettled, and the defence reeled under Motherwell's offensives, although it failed to give way.

SCOTTISH CUP SEMI-FINAL. Motherwell 3, Aberdeen 1. ENGLISH LEAGUE, 1st DIVISION. Charlton 3, Grimsby 1. Everton 2, Manchester United 0. Middlesbrough 6, Portsmouth 2. Stoke 5, Wolverhampton 3.

2nd DIVISION (South). Bournemouth 5, Bristol Rovers 2. 3rd DIVISION (South). Hearts 2, Albion 0.—Reuter.

London, Apr. 1. Following are the results of the League Soccer matches played today:—

SHANGHAI LAW REPORTS

H.M. Supreme Court

Divorce Suit

J. H. LIDDELL v. MRS. G. M. LIDDELL.
COUNSELL: Mr. M. Reader Harris for
petitioner.

Before Sir Allan Mossop, Judge
(Decree Nisi).

Shanghai, Mar. 29.

In an undefended divorce action heard in H. M. Supreme Court yesterday before Sir Allan Mossop, Judge, a decree nisi was awarded to John Helyer Liddell against Grace Mary Liddell, on the grounds of desertion. Mr. M. Reader Harris appeared for the petitioner.

U.S. Court for China

Will of C. T. Hutchins Admitted to Probate

COUNSELL: Messrs. Franklin and Harrington for the Estate; Mr. Leighton Shields, guardian for minor daughter.
Before Judge Milton J. Helmick

Shanghai, Mar. 28.

The will of the late Mr. C. T. Hutchins was admitted to probate in the United States Court for China yesterday morning by Judge M. J. Helmick. Messrs. Franklin and Harrington acted as attorneys for the estate. The U. S. Attorney, Mr. Leighton Shields, was appointed guardian for a minor daughter.

Divorce Suit

W. O. HEGAMIN v. MRS. L. O. HEGAMIN
Before Judge Milton J. Helmick
(Divorce granted)

Shanghai, Apr. 1.

In a divorce action heard in the United States Court for China yesterday, Judge M. J. Helmick granted a petition for divorce filed by Mr. W. O. Hegamin against Mrs. Lucille Ophelia Hegamin.

First Special Court

Former Official Sentenced

Shanghai, Mar. 28.

Reports that registration of gambling houses in the Western district is to be enforced and that some of the larger establishments will absorb smaller establishments is forcing gambling in Shanghai to seek another avenue of activity.

Tan Ying, a former minor official of the Bureau of Finance of the former Shanghai City Government has been sentenced to six months' imprisonment by the First Special District because he had been directing a branch Wah Wei gambling house in the Settlement in his home at 1254 Bubbling Well Road. When the police visited his home during the week-end he and a friend were arrested and 156 gambling lottery tickets seized. He explained to the judge that in order to avoid going over to the "puppet" administration and becoming a traitor he had chosen gambling as a profession. A gambler is better than a puppet official anyway, he said. His friend was acquitted.

Liu Yu-ling, a jobless opium smoker was caught in the later part of last week in his house in Lane 332 Seymour Road which he recently transformed into a branch gambling office. He lured people to his house to gamble and a surprise visit paid to him by the Bubbling Well police resulted in the arrest of seven persons including Liu. While Liu was sentenced to one year and two months' imprisonment charged with both directing a gambling house and smoking opium, the others were fined \$15 or sentenced to two months' or five months' imprisonment. A raid conducted by the police in a Chinese hotel at 69 Yu Ya Ching Road also during the week-end resulted in the arrest of 21 gamblers who were playing the "Bai Chiu" game in a fourth floor room. Among the arrested persons one is a hotel waiter who secretly informed the gamblers of the presence of police.

Another raid at House No. 9 Lane 139 Taku Road resulted in the arrest of 20 other gamblers also busy at a "Bai Chiu" game. The arrest of these 41 gamblers has enabled the court to get a substantial income in the form of fines for 39 of them were fined \$40 or \$50. Two persons directing the gambling establishments were sentenced to two months' and five months' imprisonment but their prison terms can be converted into fines reckoned on the basis of \$3 for a day's imprisonment.

Opium Carriers

Shanghai, Mar. 29.

Two Chinese boys in their early teens who were charged with smuggling opium into the Settlement were

dealt with leniently yesterday by Judge Fu in the First Special District Court. The judge acquitted them but ordered, however, that they be sent to the reformatory where they will have to stay for ten months. Two other boys were declared not guilty, but Hsiao Ching-cheng, the eldest in the group, was sentenced to one year and six months' imprisonment charged with assisting in the sale of opium.

One of the boys sent to the reformatory was first arrested last week by the Chengtu Road police while he was travelling in a bus. On his person four pounds of opium were found and through his confession the Settlement branch office of a western district opium hong located at 641 Hankow Road was raided. The boy had been sent by his employer to carry the contraband to the branch office. Subsequent investigations enabled the police to arrest the other boys. The sentencing of the boys has sealed the fate of at least one branch of the western district opium hong in the Settlement.

Opium Smuggling

Shanghai, Mar. 29.

Prison terms ranging from eight months to five years have been passed by the First Special District Court on five persons convicted of opium smuggling in connection with the seizure by the Chengtu Road police of more than 10 lb. of the drug cleverly hidden in Chinese medicine packages.

The leader of the gang Li Chung-kao, was sentenced to five years' imprisonment and deprived of his civil rights for five years. Charged with aiding and abetting in the sale of opium, Lo Yi-shui and Hu Wen-teh drew one year each. Li Shih-ching received an eight-month prison term charged with possessing opium. Several thousand dollars worth of opium has been confiscated by the court.

The crime was recently discovered quite accidentally by the police when a motor car in which some of the accused were driving was stopped for a search near Weihaiwei Road. A large quantity of the drug was found inside the car and a raid made later enabled the officers to find more contraband all cleverly hidden in Chinese medicine packages mailed to Shanghai from Yunnan. The accused had been engaged in the opium smuggling business for a long time by maintaining close connection with accomplices in Yunnan.

Pseudo Detectives Sentenced

Shanghai, Mar. 31.

Convicted of extortion in which the accused posed as detectives attached to the anti-narcotic department of the Shanghai Municipal Police, Wu Pi-nien and Wang Chang-keng were each sentenced to one year and two months' imprisonment yesterday by the First Special District Court.

The crime dates back to March 21 when they broke into a Chinese residence in Lane 53 Amoy Road and extorted \$25 from the relatives of an aged woman who is alleged to be an opium smoker. They produced a letter purporting to have been written by an informant saying that there was an opium smoker in the house and threatened to arrest the woman if money was not forthcoming. They were unlucky, however, because when they were escaping after obtaining the money they were met by a real detective near the front door.

Gypsies Charged

Shanghai, Mar. 31.

A 20-year old Serbian gypsy and two Russian youths all living in the Wayside District were brought before the First Special District Court yesterday and charged with attempted larceny and also with being in possession of heroin. All of them denied the attempted larceny charge but one of the Russian boys admitted that he possessed several packages of contraband when he was arrested. Judgment was reserved until the next week.

Police evidence was that on March 28 the trio bought the contraband from a Korean in the French Concession and that while returning to their home in the Wayside district in a bus running on Nanking Road they tried to steal money from the bus conductor. They were alleged to have been caught red-handed and sent to the Central Police Station where two of them were found in possession of heroin packages.

Robbers Sentenced

Shanghai, Apr. 1.

Three robbers were sentenced to heavy prison terms yesterday by the First Special District Court in connection with the daring hold-up staged on January 17 the residence of Pan San-shan, a wealthy merchant located at House No. 10, Lane 126

Kinnear Road in which the men stole cash and other valuables amounting to \$23,390. They were also charged with stealing \$1,300 in cash and valuables from a Chinese residence in Hsin Dong Ka Loong, West Hongkew on February 27.

Lee Yu-tang and Tang Ah-pao were each sentenced to 10 years' imprisonment while the third member of the gang drew seven years. All of them pleaded guilty. It was revealed in court that five men broke into the Pan residence in which they remained for more than half an hour during which two safes were opened with keys surrendered by the victim. They were arrested more than two weeks ago by the Sinza Road police and during their detention the officers found out that they were also responsible for the West Hongkew robbery. Accused told the court at a recent hearing that they committed the crime in Pan's residence because they learnt that he had been suddenly enriched.

Gang Leader Sentenced

Shanghai, Apr. 4.

Shan Chung-tze, a notorious robber gang leader, was sentenced to death yesterday by the First Special District Court in connection with two armed robberies in one of which two persons were killed. His accomplice, Liu Pao-tien, drew five years, and the pistol and several rounds of ammunition found in their possession were confiscated.

It was recalled in court that accused were arrested on March 3 in a hut in Lane 200 Ferry Road without offering resistance, after the police had been looking for them for a long time. Their latest criminal record in the armed robbery committed in the residence of a Mr. Pan at 1189 Ferry Road on February 16 of this year. They escaped with cash and other valuables amounting to about \$100.

The other crime was committed on February 19 of last year, when they broke into the residence of Chang Tsu-yun at House No. 33 Lane 1170 Jessfield Road, and escaped after killing Mr. Chang and his relative, Chang Wen-lien.

Attempted Murder

Shanghai, Apr. 4.

Charged with attempted murder, Han Tseng-nyi was sentenced to seven years' imprisonment yesterday by the First Special District Court in connection with the shooting on February 3 of a bath house customer Pan Shih-yung, alias Pan Tze-yung, who was taking a bath in the Yu Chuan Bath House, Hopeh Road. His pistol was confiscated. It will be recalled that Han was caught almost redhanded by a detective who was also taking bath there after a chase during which the officer only wore shorts. The motive of the crime is a mystery, but the accused did not mention it clearly, admitting, however, that he had shot a wrong man.

Second Special Court

Many Crimes Alleged

Shanghai, Mar. 29.

It was revealed in the Second Special District Court yesterday that the 25 robber suspects, several of the women, who were arrested by the French Police during March 26 and 27 had committed at least 15 armed robberies in both foreign settlements and at least one of the women detained told the judge that she had been firearm smuggler for the robber gang.

Since the crimes need much time to investigate before definite charges can be framed against each suspect individually, the court postponed the hearing to April 11.

Most of the male suspects admitted responsibilities for several crimes but most of the detained women tried to exonerate themselves by stating that they were sweethearts of the arrested men and that they knew nothing about their activities in the criminal world. They were all detained, however.

The suspects, it will be recalled, were arrested as a result of a series of raids conducted by the French police in several hotels in the Concession. In the possession of the detained men two pistols and many rounds of ammunition were found.

The Shanghai Municipal Council health report for the week ending midnight, April 1, shows that the total number of deaths from all causes amongst the foreign and Chinese population in the Settlement were—Foreigners 15 and Chinese 585. Deaths from notifiable diseases were—Foreigners, Tuberculosis 2, Cerebrospinal Fever 1, Chinese, Tuberculosis 43, Cerebrospinal Fever 11; Typhoid Fever 10; Measles 6, Smallpox 5; Diphtheria 5; Beri-beri 4; Scarlet Fever 2; Dysentery 2; Paratyphoid Fever 1 and Relapsing Fever 1.

From the SHANGHAI MUNICIPAL GAZETTE

Public Works Report for Feb.

The Commissioner of Public Works reports:—

Weather.—Rain fell on 12 days and frost occurred on six days during the month.

Bridges.—The replacement of Bridge No. 19, Warren Road, and Bridge No. 10, Hungjiao Road, by 3-ft. diameter culverts is in progress.

Bundings.—At West Soochow Road, opposite Penang Road, pile driving for the new bunding has been completed for a length of 40 feet and shoring for the upper wall is being fixed. At West Soochow Road, West of Tonquin Road, work on the construction of a new reinforced concrete bunding for a length of 90 feet was commenced.

Sewage Works.—At the Western District Sewage Works, the installation of fittings and cast iron piping for the six new sedimentation tanks is in progress.

Buildings.—At the Abattoir, No. 10 Sawgin Road, Cadastral Lot 330, Eastern, work is proceeding on the tiling of the shelving in the slaughter halls on the second floor.

At the Disposal Plant, No. 29 Sawgin Road on Cadastral Lot 319, Eastern, the construction of a settling tank has been completed.

At the Jessfield Park, Wayside Park and the Public Garden, sashes have been constructed in the kiosks.

General repairs have been carried out at the following buildings which were damaged during the hostilities:—

Yangtzeppoo Market.
Public Latrine—Dixwell Road.
Nieh Chih Kuei Public School for Chinese, Kinchow Road.

Primary School for Chinese, Wayside Road.

Work is still in progress at the following buildings:—

Gaol Hospital.
Gaol—Chinese Section.
Sunpan Market.
Branch Health Office—Pingliang Market.

Hongkew Park—Store Shed and Lavatories.

Northern Sewerage Treatment Works.

Primary School for Chinese, Kinchow Road.

Leased Premises.—During the course of the month, two additional properties were leased for occupation by Police staff, and two were vacated. The total number of premises leased now amounts to 294, of which three are occupied as Police Stations, 13 as Schools, eight for miscellaneous purposes, and the remainder as Police Quarters.

Emergency Cleansing—Western District.—Sanitary Camp, Outside Settlement Limits.—Garbage removed, 1,926½ tons; drainage ditches dug, 210 feet; creeks cleaned, 56,300 feet; coffins and corpses and deaths reported, 221; stagnant pools filled in, 38.

Labour.—The average number of labourers employed daily by this Department was as follows:—

	Full Pay
Coolies	4,683
Artisans	434
Foremen	240

Pingchao Quarry.—No broken stone was received by the Public Works Department during the month.

New Buildings.—There were 504 blocks of buildings under construction during the month; 272 plans were submitted for approval and 141 plans approved. Valuation of blocks of buildings for assessment purposes made totalled 126, while 5,759 inspections were carried out by inspectors.

Fire Brigade Report for Feb.

During the month 70 calls were received. These are classified as:—

Genuine Fires	54
False Alarms (Good Intent)	6
Chimney Fires	2
Special Calls	8

The damage at fires which the Brigade attended within the Settlement and Special Rated Area was estimated at:—

Within the Settlement	\$65,717
In the Special Rated Area	15,370
Total	\$81,087

At Fires

	At Fires	Special Calls	Total
Lives Lost:			
Civilians	1	1	2

Injuries:			
Civilians	3	15	18
Brigade Staff	5		5

Emergency Ambulance Service.—During the month 608 calls were received and in connection therewith 623 patients were conveyed to various hospitals.

Parks Report for February

Jessfield Park.—The banks of a newly constructed pond on the west side of the park were graded and turfed, and preparatory work was carried out in connection with the construction of pathways on the west side of the pond.

A total of 12,000 tons of house refuse was deposited in the south-east corner of the park, and a commencement was made on the grading of this section to form a continuation of the existing undulating landscape north of the site.

Several alterations were made to pathways in various sections of the park and the planting of hardy annuals in flower beds was commenced. At the greenhouses, displays of flowering pot plants were on view throughout the month, and the propagation of Dahlias, Carnations and various other species is in progress.

At the Zoological Garden, birds and animals were removed from several cages and transferred to temporary structures erected north of the Alpine Garden. The cages vacated were subsequently demolished, and preparatory work for the erection of structures of a more permanent type was carried out.

A collection of small birds was presented during the month by Mrs. R. D. Murray and one cockatoo by Mrs. V. Niskanen.

Sports Areas.—29 football and 10 hockey matches were played at Kiao-chow Park during the month, the total number of persons participating being 858. At Hongkew Park, the top dressing and re-leveling of lawns required for sports purposes and the resurfacing of hard tennis courts were started.

Weather.—The mild weather continued during the month, over three degrees of frost being registered on four nights only. Rain was recorded on thirteen days.

The following figures were obtained from meteorological instruments at Kiao-chow Park:—

Maximum temperature	57.0°F.
Minimum temperature	25.5°F.
Average maximum	48.2°F.
Average minimum	36.3°F.
Rainfall	2.72 inches.

Visitors to Parks and Children's Gardens.—The total number of visitors to the various Municipal Parks and Children's Gardens during the month was 91,713.

Shanghai Municipal Police (Special)

Orders by the D.C. (Specials).

Long Service Medal.—The following Members have been awarded the L.S.M. as from the undermentioned dates:—

Sgt. 46 D. B. Sequeira—6/3/39.
S/C 462 A. H. Childs—17/3/39.

Appointment.—Extract from Police Orders D. 9582.—With effect from January 1, 1939, Mr. C. J. Merritt, Special Assistant to the Officer in charge of the Specials (Class "N"), will serve under Letter of Appointment, Classification "L."

Mr. C. J. Merritt wide Police Orders D9582 has been appointed to the Civil Staff of the Shanghai Municipal Police and will in future be the Personal Assistant to the Officer Commanding the Specials and therefore automatically resigns the Force.

Promotion.—The following promotions are authorised as from the undermentioned dates:—

Insp. F. H. Gearey is promoted to Superintendent i/c H. Q.—22/3/39.

Sgt. 26 A. Hewlett-Smith to Inspector—22/3/39.

Sgt. 972 W. Beatty to Sub/Inspector 22/3/39.

Staff Changes:

Training.—Supt. M. Benton i/c Training; Supt. S. Y. Yeh; Insp. A. Hewlett-Smith, Assistant i/c Training; Insp. D. H. King; S/Insp. C. L. Tai; Sgts. 44 J. E. H. Noodt, 191 H. Middleton, 665 A. J. Headington, 677 J. Barrett; 887 Y. S. Liu; 914 T. Z. Yui.

Areas.—Mr. W. J. Gande, A. C. i/c Areas; Supt. T. A. Buckley, Supt. Areas; Supt. T. Y. Chang, Supt. Areas.

Musketry.—Mr. W. J. Gande, A. C. i/c Musketry; S/Insp. W. Beatty i/c Range Staff; S/Insp. J. C. D'Aquino; S/Insp. P. Wong; Sgts. 80 I. J. Rozario; 86 E. M. Gutierrez; S/C 993 H. H. Johnson.

Records.—Supt. F. H. Gearey i/c Records; S/Insp. H. J. Cooper; Sgt. 653 J. A. Cheeseman.

Recruiting.—Insp. H. E. Gibson; S/Insp. H. Melchers.

FOREIGN TELEGRAMS

Britain to Give Aid to Poland

Mr. Chamberlain Informs Commons of Pledge For Full Support If Independence Attacked

London, Mar. 31.

"I NOW have to inform the House that in the event of any action which clearly threatened Polish independence and if the Polish Government accordingly considered it vital to resist with their national forces, His Majesty's Government would feel themselves bound at once to lend the Polish Government all the support in their power," Mr. Neville Chamberlain, the Prime Minister, declared in the House of Commons this afternoon. "The British Government have given the Polish Government assurances to this effect," Mr. Chamberlain continued. "I may add that the French Government have authorized me to make plain that they stand in the same position in this matter as do His Majesty's Government."

The Prime Minister then stated that he had no official confirmation of "any projected attack on Poland" and that rumours to this effect should not be taken as confirmed by his statement. Earlier, Mr. Chamberlain outlined the general policy of His Majesty's Government which was, he said, that "they have constantly advocated the adjustment by way of free negotiation between the parties concerned of all differences which may arise between them."

"His Majesty's Government consider that this is a natural and proper course where differences exist. In their opinion, there is no question incapable of solution by peaceful means and they see no justification in the substitution of force or threat of force for the method of negotiations."

Mr. Chamberlain declared that conversations were proceeding between the British Government and several foreign countries, and that His Majesty's Government's position, as outlined, covered the present period, prior to the conclusion of these conversations.

Interim Period Covered

In reply to a question, the Prime Minister then stated: "I think the statement was clear and that what I said is intended to cover the interim period."

He added that His Majesty's Government was in consultation with other Governments including Soviet Russia and that the Foreign Secretary, Lord Halifax, held "a very useful conversation this morning" with the Soviet Ambassador, M. Ivan Maisky. "I have no doubt that the principles on which we are acting are fully understood and appreciated by the Russian Government," he continued.

Labour View Stated

Following Mr. Chamberlain's statement, Mr. Arthur Greenwood, for the Labour opposition, declared to the House:

"I am quite sure that the House realizes the potentialities which may arise out of the statement the Prime Minister has made. It may prove to be in its consequences as momentous a statement as has been made in this House for a quarter of a century. It is very difficult with such a statement so immediately before us to say very much, but may I ask the Prime Minister one or two questions on what I do not think is quite clear in his statement. I would like to ask whether the statement which he has now read is to be regarded as the first step in the development of a policy to deter and restrain aggressions. If so, will the Government take immediate action and energetic steps to bring into this arrangement other Powers? Will they especially think of the value of the U.S.S.R.? (Cheers) Will they do so with other Powers large and small and will they do so with the wise object of obtaining the maximum amount of co-operation in the defence of peace? Will they consider now the advisability of an immediate conference of those Powers which might be prepared to range themselves on the side of peace against aggression?"

Advent of Col. Beck's Visit

In reply, Mr. Chamberlain declared: "The House is aware that we are expecting a visit this coming week-end by Colonel Joseph Beck (Cheers). There will then be an opportunity of discussing with Colonel Beck various further measures which might be taken in order, as the Honourable Member has put it, to accumulate the maximum amount of co-operation in the efforts that may be made to put an end to aggression, if it were to be committed and substitute to violence a reasonable and orderly method of discussion."

Mr. Greenwood continued by asking Mr. Chamberlain whether, his statement that His Majesty's Government would welcome the maximum co-operation of all Powers, included Soviet Russia.

"Yes, we would welcome a maximum amount of co-operation," Mr. Chamberlain replied. "I am sorry I forgot about the proposed international conference but the question

of a conference is in our view simply a matter of practical expediency. We have no theoretical views and if it should prove to be the best way, we would not hesitate to adopt it. If there are other and more effective ways of achieving our object, we might dispense with it."

Dominions Kept Informed

Answering another question, the Prime Minister declared that the Dominions had been very fully kept informed. He had no hesitation, he

ing, starting at the unusually early hour of 8.45 a.m.

The meeting lasted one hour and a quarter, and was attended by Mr. Neville Chamberlain, the Prime Minister; Lord Halifax, the Foreign Secretary; Sir John Simon, Chancellor of the Exchequer; Lord Chatfield, Minister for Co-ordination of Defence; Sir Thomas Inskip, Secretary of State for the Dominions; and Mr. Oliver Stanley, President of the Board of Trade.

The Ministers are believed to have considered the text of the statement which Mr. Chamberlain was to make in the House of Commons this afternoon.

Mr. Chamberlain entered the House at 2.50 p.m., and was greeted with cheers.

He repeated a statement given in the House in the morning that His Majesty's Government had had no official confirmation of rumours of any projected attack on Poland. His Majesty's Government, he said, must not therefore be taken as accepting these rumours as true.

Decision Not Unexpected

Mr. Chamberlain's clear intimation in the House of Commons this afternoon that Great Britain would not stand idle in the face of further aggression in Europe did not come as a surprise, for a declaration in this sense had been predicted.

Britain's decision was reached as the result of intensive discussion in the British Cabinet and between the British, French, Polish and Rumanian Governments yesterday. While official secrecy still surrounds details of the arrangements reached, there is reason to believe that the salient feature was a suggestion to Poland and Rumania to extend their pact of mutual assistance to include the case of an attack by Germany. It is understood that Poland replied late



German-Polish Tension Over Danzig and Corridor

Latest reports indicate that rumours of German demands on Poland are premature. Polish armed forces are partially mobilized and the Polish press is maintaining a firm attitude in face of German press reports alleging incidents in Upper Silesia (see map). Danzig and the question of a German right of way across the Corridor to East Prussia are the bones of contention. The area of Memel is shown. Its absorption into the Greater Reich from Lithuanian sovereignty was the prelude to present German-Polish tension.

added, of giving the assurance that there are no ideological impediments between Great Britain and Soviet Russia.

Mr. Frederick Bellenger, Labour member for the Basslelaw Division of Nottinghamshire, stated that, in his opinion, Mr. Chamberlain was not the most suitable man to lead the new policy.

Mr. E. Thurtle, Labour member for Shore-ditch, then said: "There may be another Prime Minister who can take charge of the affairs of this country at this grave hour, but if the present Prime Minister is now genuinely and sincerely convinced without any mental reservations that it is necessary to pursue this new policy of rallying the friends of peace, I think, in view of his world reputation as a man of peace, he is probably the best man for the job."—Havas.

Special Cabinet Meetings

A special meeting of the "Inner Cabinet" was held unexpectedly at No. 10 Downing Street, this morn-

ing night, accepting the proposal, and Rumania's acceptance was not doubted.

Great Britain and France subsequently prepared to go to the assistance of Poland and Rumania should either, henceforth, become the object of German aggression. The sudden speeding up of the negotiations between the four capitals yesterday was largely caused by disquieting reports of German military measures, in view of which it was felt that to await the arrival of the Polish Foreign Minister, Colonel Joseph Beck, in London on April 3 would be to take the grave risk that a stand against aggression might prove too late.—Reuter.

Australia Starts National Register

Canberra, Mar. 29.

Mr. Joseph A. Lyons, Premier of Australia, announced today that the Cabinet had decided to introduce a compulsory national register of manpower as part of its defence programme.—United Press.

Reich Ready for Test

Britain Ridiculed by Herr Hitler in Speech; Encircling Policy Against Germany Assailed

Wilhelmshaven, Apr. 1.

"A BROAD perhaps we are not loved, but we are respected. If any Power wants to measure its strength with ours, the German people are always ready," declared Chancellor Hitler in the course of an hour-long speech here today on the occasion of the launching of the new 35,000-ton battleship Admiral von Tirpitz. Tens of thousands of people gathered from all parts of Germany to hear the Fuehrer speak. Enthusiasm was whipped up by the militant air of the proceedings. Detachments of troops marched through the crowded streets with bands playing.

Herr Hitler was expected to reply to the statement of Mr. Neville Chamberlain, the British Prime Minister, that Britain and France would assist Poland in the event of aggression against her. Herr Hitler's speech made no sensational announcement and ridiculed Britain rather than scorned her. Referring to the Anglo-German Naval Treaty, he said: "I concluded this Treaty in an ardent desire for peace. But this must have two sides.

The essence of the Fuehrer's speech, which was punctuated by boos and cries of "Shame! Shame!" when mention was made of Britain, was as follows:—

1. The Anglo-German Naval Treaty was signed in an ardent desire for peace on the part of Germany.

"If this desire for peace did not persist in Britain, then the practical presupposition of the Treaty were removed."

2. Germany did not dream of attacking other nations, but wanted only to develop her economic interests; and Germany would remain as long as other nations forced her.

"Unvirtuous" Britain

Chancellor Hitler declared that this year's Party Congress at Nuremberg would be called the Party Congress of Peace.

"I believe in eventual understanding between nations. Abroad perhaps we are not loved, but we are respected. If any Power wants to measure its strength with ours, the German people are always ready."

Speaking of those who divide nations into the virtuous and the non-virtuous, Chancellor Hitler said that for three hundred years, Britain has acted unvirtuously, and now in her old age, she speaks of virtue.

"If British statesmen demand that every problem concerning Germany's internal affairs, should be discussed, we could demand just the same about Britain," Herr Hitler declared. "In Palestine, Germany has nothing to seek. We want nothing there, and Britain has just as little to seek in our internal affairs."

"What right has Britain to shoot others in Palestine when they are defending their homes? In Central Europe, we did not slaughter thousands, but what we did, we did peacefully," he declared.

Referring to the Anglo-German Treaty, Chancellor Hitler said: "If this desire for peace does not persist in Britain, practical presuppositions of the treaty are removed."

Annexation of Czechoslovakia

Herr Hitler referred to those who pick chestnuts from the fire and sale they were likely to burn their fingers. "We have a great Reich, strong enough to cope with its rights. We are not dependent on the favour or disfavour of other states or statesmen," he went on.

Speaking of the territorial claims of Germany to Czechoslovakia, he said that at the time when Britain was very small, the first German king was crowned in Prague. "We would not have anything against an independent Czech State if it had not oppressed Germans and had been used as an instrument of Communism."

Referring to the annexation of Czechoslovakia, Chancellor Hitler said: "We employed the old German right to unite with the right, what history and geographical position proposed. We did it not to oppress the Czechs, who will have more freedom than the peoples of the so-called virtuous nations. I think I did a great service for peace for I removed a great danger in Central Europe." Germany does not dream of attacking other nations. We want to develop our economic interests."

Herr Hitler described the Reich as an enormous consumer of goods and a good country to have as an economic partner.

Axis Will Persist

Herr Hitler, speaking of armaments, said that Germany would go on as long as other nations forced her. "I think we shall make progress quicker than others," he said.

Herr Hitler declared that the Rome-Berlin Axis would persist "in all circumstances, and at all times." He rebuked journalists who alleged a breaking of the axis, which he described as "the most natural instrument in the world." "If somebody says to me there is no ideological and psychological difference between Britain and Soviet Russia, I congratulate them," he declared.

Herr Hitler referred to Spain as a country of triumph, which had liberated itself from Bolshevism. He

expressed pride that many young Germans had done duty in Spain.

Referring to Germany's pre-war history, the Fuehrer said she was trying to ensure herself a place in the sun. Although Germany merely pursued her peaceful way, other countries have opposed her with hate and persecution and finally war," he declared. He spoke of the encircling policy against Germany and quoted an alleged remark by a British statesman that the annihilation of Germany would ensure great prosperity for every British citizen.

The Fuehrer spoke of the Great War and said that nobody could claim to have defeated heroic Germany. He referred to President Wilson's 14 points and said that Germany was led to hope for a peace with neither victor nor vanquished being without reparations, and with colonial territory and general disarmament. "Germany was to give an example of disarmament, and others were to be obliged to follow suit," he stated. "All problems were to be freely and openly discussed and above all, the right of self-determination was to be established."

"Germany believed this assurance. Then began the breaking of one's word such as the world had never seen—a Europe of crime, oppression and plunder," Herr Hitler concluded.—Reuter.

German Press Comment

Berlin, Apr. 2.

A "peace speech, addressed particularly to Britain, coupled with a warning" is the description applied to Herr Hitler's speech by well-informed German quarters.

In the words of one commentator, "Herr Hitler wanted peace at the same time as giving a sharp warning against the continuation of the Chamberlain encirclement attempts, whether disguised or undisguised. We do not believe in the defensive nature of this policy; every day we see examples of an attempt to torpedo our peaceful actions, with active attempts to put obstacles in Germany's way—the Rumanian Agreement providing an example. We are ready for peace, but not for more encirclement. We shall certainly not remain inactive until the rope is right round our throat."

Press comments emphasize the danger of an "encirclement" policy, and declares that Herr Hitler has given Britain time for reflection.

Hit in Broadcast Explained

The official explanation here of the decision not to relay Herr Hitler's speech yesterday over the radio is that "the time of day is not likely to draw a large audience of listeners, and it was therefore decided to make records of the speech, and play them over at an hour when most people are at dinner."

It is insisted that the sudden breaking-off of the shortwave relay to the United States was "due to a technical fault or mistake." It is unofficially suggested, however, that Herr Hitler, having prepared a speech on more general lines, containing remarks of special American interest, re-drafted his speech after the statement made by Mr. Neville Chamberlain, and concentrated on Britain. As little of special American interest then remained in the speech, it is pointed out, it was decided at the last moment not to broadcast the speech to America. Through some technical hitch, some of the speech got on the air.

The official version of the speech was not released until Herr Hitler, who spoke from notes, had had the opportunity to study carefully, aboard the Strength Through Joy liner Robert Ley, what it looked like in writing.

Nobody noticed any serious discrepancies between the written version, and that broadcast on gramophone records.—Reuter.

Le Bourget, Apr. 2.—Viscount Gort, British Chief of Staff, accompanied by his suite of military experts, left by plane for London at 3.05 p.m. today. He was seen off at the airport by General Maurice Gamelin, French Chief of Staff.—Havas.

Paris Approves of Polish Accord

Paris, Apr. 3.

Diplomatic quarters here assert that the proposals which will be submitted to Colonel Joseph Beck, the Polish Foreign Minister, during his visit to London have been fully approved by France.

Conversations between London and Warsaw commenced after the German occupation of Czechoslovakia, took place while similar Franco-Polish talks were going on.

France is already bound to Poland by a treaty, but it was necessary to undertake negotiations to obtain specific details from Warsaw regarding its attitude towards Germany, following the German threat to Poland.

Tomorrow, Mr. Neville Chamberlain, the British Prime Minister, and Lord Halifax, the Foreign Secretary, will ask Colonel Beck to give Great Britain a guarantee in exchange for Britain's decision to assist Poland if she were to be attacked. Political circles stress that if Colonel Beck agrees, Anglo-Polish relations will be as close as the relations which have prevailed for a long time between Warsaw and Paris.

As the agreement concluded between Germany and Poland came after the Franco-Polish treaty, the latter did not constitute an obstacle to the former. Thus, the British proposals should not be interpreted differently, and therefore Colonel Beck should have no difficulty in accepting them.

Diplomatic circles are convinced that Poland will refuse to heed Italy's counsel to reject the British suggestions, since, they state, Italy would not intervene in any way if danger were to threaten Poland.—Havas.

Polish Attitude Hardens

Warsaw, Apr. 1.

It is believed that the Polish Government has made it clear to the German Government that an unilateral change in the status of Danzig would be considered as a threat to Polish independence, of the kind mentioned in the declaration by Mr. Neville Chamberlain, the British Prime Minister, in the House of Commons yesterday.—Reuter.

Policy Unchanged

Warsaw, Mar. 31.

Polish quarters voiced the utmost satisfaction over the British Government's declaration today whereby Britain undertook, for the first time, commitments in Eastern Europe. Britain now admits that peace in the West and the East is equally important.

With regard to Danzig, the Poles stressed that no conflict on this problem could be localized. The British guarantee of assistance is of a general character and would automatically apply to a German-Polish conflict arising from the Danzig problem, they stated.

Meanwhile, they stressed, Poland's general policy remains unchanged, is still based, as far as circumstances permit, on the old principles of a strictly independent policy affected solely by purely Polish decisions and forces, good relations maintained with all neighbours, the desire to settle in a friendly spirit all disputes with neighbouring nations and the maintenance of all alliances and friendships.

Colonel Joseph Beck will now be able to obtain most important results while visiting in London, observers here believe.—Havas.

Czech Assets Abroad Held by Britain

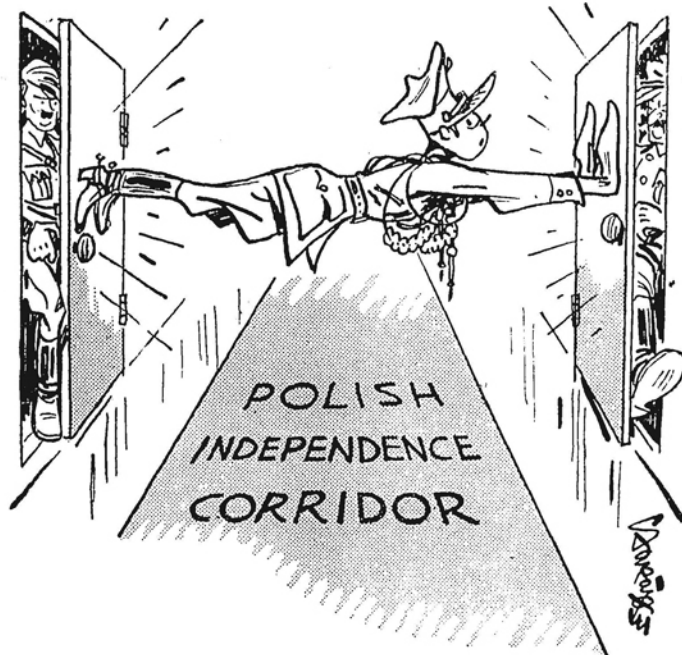
London, Mar. 27.

A Bill to give the necessary powers to the banks to carry out the instructions for blocking Czech assets in London, given by the Treasury after the German annexation of Czechoslovakia, passed through all its stages in the House of Lords today.

A Government spokesman said that the Governments of the Dominions and of India had been informed of this action, and these Governments had proposed to take similar action.

The French Government, he understood, had acted in the same way as the British Government.

He could not at present indicate the steps the Government might have to take to protect British interests in Czechoslovakia. The attitude of the German Government on Czechoslovakian external obligations was not yet drawn. The British Government must wait, until the situation was much clearer, before formulating its policy. The present measure was only intended to safeguard the position in the meantime, the spokesman concluded.—Wireless through Reuter.



BY SAPAJOU

Keeping Them Apart

British Pledge to Poland

U.S. and Dominions Informed; Rumanian Support Sought; Press Hails Challenge

SPECIAL TO THE "N.C.B.N."

London, Mar. 31.

THE immediate affect of the statement regarding Poland made in the House of Commons today by Mr. Neville Chamberlain, the Prime Minister, has been a relaxation of the tension of the last 24-hours. Mr. Chamberlain has gone to Chequers, his country estate, for the week-end. Other members of the Government are leaving town, although they will remain within recall if necessary. Mr. Chamberlain received Mr. Lloyd George in his room at the House of Commons this afternoon, in connection with the international situation.

Newspapers here enthusiastically welcome Mr. Chamberlain's announcement as a remarkable new departure in Great Britain's foreign policy. The "Daily Telegraph" calls it one of the most conspicuous landmarks in the whole history of Great Britain's foreign policy. "It is plain," it says, "that by the proclamation that the frontier of Great Britain is no longer the Rhine, but that the region of the Vistula, we have finally broken the last link in the 19th century era of splendid isolation. The volte-face enjoys the enthusiastic support of every opinion." The "News-Chronicle" says that at last initiative seems to have a chance of passing from totalitarian aggressors to the democracies. "The Times" states: "The statement is a bold and definite challenge to methods of diplomacy which recently shocked the conscience of the world."

A further statement by Mr. Chamberlain is expected when conversations with other countries are completed, says Reuter's diplomatic correspondent. The Dominion's Governments, he adds, have been kept fully informed of the progress of the conflict of the last fortnight and of the attitude of the United Kingdom. The United States has also been kept fully informed and Washington was told of the contents of Mr. Chamberlain's statement before its delivery.

It was emphasized in official quarters in London today that the fact that the Prime Minister chose to make a statement this afternoon was in no sense the result, as some speculators suggested, of the late Government receiving secret information of a serious character. As the Prime Minister himself stressed, there was no confirmation in official quarters of any alarmist rumours but in view of the now well-known signs of tension which had appeared in eastern Europe, it was considered desirable by the British Government that there should be no delay in removing the slightest possibility of a misunderstanding of the British attitude.—Reuter.

Conservatives Hold Kincardine Seat

London, Mar. 31.

The Conservative Party maintained its seat in the Kincardine and Western constituency today, when a by-election resulted in a victory for Mr. C. N. Thornton who polled 11,111 votes against 9,990 for his Liberal opponent, Mr. A. J. Irvine.

The by-election arose in the fact Sir Malcolm Barclay, Harvey, Conservative member for the constituency, has been appointed Governor of South Australia. In the last general elections, Sir Malcolm won by 2,636 votes.—Havas.

France, Poland Sign Trade Accord

Paris, Mar. 27.

M. Georges Bonnet, French Minister, and M. Jules Lukasiewicz, Polish Ambassador, signed an accord this afternoon establishing a new system of economic compensation between the two countries which will permit the substantial development of their commercial dealings.—Havas.

Australia Committed If Reich Attacks Poland

SPECIAL TO THE "N.C.B.N."

Melbourne, Apr. 1.

The statement of Mr. Neville Chamberlain, the British Prime Minister, in the House of Commons yesterday means that "Australia is also committed to war if Germany attacks Poland," says the "Melbourne Sun."

The "Melbourne Argus" asks whether Germany will realize, at the eleventh hour, that "Great Britain is not bluffing."—Reuter.

Canada Will Be Forced To Stand by Britain

Ottawa, Apr. 1.

Should Great Britain be threatened with war, public opinion in Canada will compel the Canadian Government to stand by England, the Justice Minister, Mr. Lapointe, declared in the House of Commons today.

It would be absolutely impossible to enforce neutrality in Canadian ports with respect to British ships, the Minister further declared. Such a measure would without any doubt provoke civil war in the country, Mr. Lapointe concluded.—Havas.

Former Polish Premier Commits Suicide

Warsaw, Apr. 2.

Colonel Valery Slawek, former Polish Premier and close colleague of the late Marshal Pilsudski, committed suicide here this evening. He escaped immediate death and was rushed to the Pilsudski Hospital, but died a short while later. Reasons for his suicide were not known.

Colonel Slawek was characteristic of the type of soldiers and plotters who grouped themselves round Marshal Pilsudski before the Great War to prepare the liberation of Poland. He carried out most attempts and attacks prepared by the Marshal against Tsarism.

He was arrested several times prior and during the Russo-Japanese war, when he escaped to Austrian Poland where the authorities tolerated the activities of Polish patriots hostile to Russia.

Upon the opening of hostilities, Slawek left with the first brigade of the Polish legion as an officer attached to Marshal Pilsudski's general staff. When Warsaw was occupied by the Germans, he formed the first political group in the new Poland, imprisoned by the Germans in 1917, he was freed following the victory of the allies.

He followed Marshal Pilsudski until 1926. The following year he was appointed Lieutenant-Colonel in the Polish Army. A deputy in 1928, Colonel Slawek organized the Government bloc in Parliament, over which he presided until its dissolution in 1935.

He was Premier from December 1930 to May, 1931, and again from March, 1935, to October, 1935.—Havas.

Lithuania Ratifies Cession of Memel

Kaunas, Mar. 30.

After M. Joseph Urbys, Foreign Minister, he made a short statement. The Parliament today ratified the Lithuanian-German Treaty regarding the cession of Memel to the Reich.—Reuter.

Italians Arrested in Egypt for Spying

Cairo, Mar. 28.

Twenty-six Italian labourers, employed at the Aswan quarries, the site of the vitally important Nile dam, were understood to have been arrested today on suspicion of espionage. They were reported to have been brought here under heavy military guard.—United Press.

Reich Expresses Regret To Belgium

Brussels, Mar. 29.

The German Ambassador to Belgium today expressed regret over the Cologne radio broadcast which urged the return of the former German districts of Eupen and Malmédy which Belgium acquired after the World War. Belgium described the broadcast as "intolerable."—United Press.

New Soviet-Japan Fisheries Pact

Moscow, Apr. 2.

Soviet-Japanese fisheries agreement was signed here today after 4½ months of difficult negotiations. The Soviet Foreign Commissar, M. Maxim Litvinov, and the Japanese Ambassador, Mr. Shigenori Togo, signed the accord on behalf of their respective Governments. A reliable Japanese source stated that the Japanese have agreed to take part in the auction of 254 fishery lots which is due to take place at Vladivostok on April 4.

These lots will be leased for a period of one year. Besides, 105 lots will be attributed by special arrangement. The Russians are to withdraw 27 lots which had been in the past allotted to the Japanese. The rent has increased by ten per cent, representing an additional expenditure of about Y.200,000. The 1928 Soviet-Japanese convention has been prolonged for one year only.

Soviet Government quarters expressed satisfaction over the settlement of the long-debated fisheries question. They pointed out that the Soviets have secured success with regard to three main points in the admission by Japan of Soviets right to withdraw some lots which had been granted previously, and acknowledgement of the auction principle which the Japanese had previously refused to accept while the new concessions granted to the Japanese are of smaller value than those withdrawn from them.—Havas.

Confirmation in Tokyo

Tokyo, Apr. 3.

The Foreign Office confirms that a settlement of the Japanese-Soviet fisheries issues has been reached. It is to make public a statement shortly. Details have not been revealed, as the Foreign Office has closed down, today being a national holiday.—Reuter.

Slavokia Submits To Hungary

Bratislava, Mar. 31.

The Slovak Cabinet has decided to accept in principle Hungary's proposals for rectification of the frontier between Slovakia and Ruthenia. The Slovak counter-claim for territorial compensation east of Bratislava, it is understood, has practically been dropped.

Members of the Boundary Commission are reported to have arrived at the frontier. It is expected that they will fix the frontier, conceding to Hungary a strip of territory some fifteen miles wide along the valley of the River Uz. The valley carries a railway linking Hungary and Poland.—Reuter.

Frontier Lines Agreed

Budapest, Mar. 31.

Slovak and Hungarian exports are agreed in general to the line of demarcation of the frontier between Slavokia and Ruthenia. Final details are expected to be settled shortly.—Reuter.

Bratislava, Mar. 31. The Reich finally agreed today to exert pressure upon Budapest in favour of Slavokia following the Hungarian ultimatum sent here, which expired at noon, authoritative quarters disclosed tonight.

The Slovakian Government telegraphed the Wilhelmstrasse yesterday, urging German intervention before the ultimatum expired. The German Minister in Budapest thereupon approached the Hungarian Foreign Ministry today and asked that Slavokia should be given certain districts south-east of Bratislava in exchange for districts already given over to Hungary.—Havas.

German Aviator Killed

Berlin, Apr. 1.

Captain Von Moreau was killed during a trial flight on Friday afternoon, it was announced here today. The famous German aviator participated in the Focke-Wulf first non-stop flight from Berlin to New York and also piloted the same plane in the record flight from Berlin to Tokyo. He was one of those aboard when the Condor plane crashed at Manila.—United Press.

SHIRTS

TOYO MURAKAMI
270 KIANGSE ROAD
SHANGHAI

OBJETS D'ART
KIMONOS PEARLS

FOREIGN TELEGRAMS (continued)

Seizure of Spratley Island

France and Great Britain Lodge Strong Protests with Japanese Government

Paris, Apr. 1. The Council of Ministers will take "appropriate measures" today regarding Japan's occupation of Spratley Island, official quarters indicated last night after Japan announced her annexation of the French Island. The nature of the French retaliation against Japan was not revealed but it was believed early action would make the Government's decision evident.

French officials stressed the fact that the French Navy occupied the island in 1930 and 1933. Announcement of annexation of the island by Japan came in the midst of years of negotiations regarding the status of the island.—United Press.

French Protest Expected

Paris, Apr. 1. Following the meeting of the Council of Ministers here this morning, it is authoritatively understood that France will send a protest to Tokyo regarding the Japanese occupation of the Spratley Islands. The Ministers this morning discussed the problem involved.—Havas.

Paris Surprised

Paris, Mar. 31. Japan's brusque action in assuming jurisdiction over Spratley Island is regarded here as surprising to say the least. France holds that the island has been a French possession since it was physically occupied by the French and notice of occupation was given to the Powers.

At the same time, there is no question of going to war over the island, the fate of which will be decided eventually by a treaty.—Reuter.

Washington Not Informed

Washington, Mar. 31. Mr. Cordell Hull, Secretary of State, said today that he was giving his full attention to dispatches relating to Japan's assumption of jurisdiction over Spratley Island.

He had not yet, he declared, received any formal notification from the Japanese Government.—Reuter.

French Rights Unchallenged

London, Apr. 1. The Foreign Office announced last night that it had received no official confirmation of reports that Japan had annexed Spratley Island, formerly known as Storm Island.

British Government circles said that as far as was known here, Japan never challenged the French title to these lands since France annexed them in 1933.—United Press.

Japan Does It Again

New York, Apr. 1. "Japan does it again," declares the "New York Times" in its comment on the annexation by the Japanese of the tiny Spratley Island, located in the Southern part of the China Sea.

"Characteristically enough, Japan has pounced on them while the European powers to whom they mean much are wholly absorbed in vital problems at home. Japan's flag now flies 700 miles south of Hainan."—Havas.

French Protest

Paris, Apr. 1. The French Government instructed the French Ambassador in Tokyo today to file a sharp protest with the Japanese Government against Japan's invasion of Spratley Island which was claimed by France in 1930 and 1933.

The protest was based specifically on French claims of possession through occupation of the island in 1933. France informed all other nations of her action at that time and Japan, who was among those notified, made no objections until the matter was reopened by Tokyo in 1937.

France took the position at that time that her rights to the island were unquestionable, but agreed to submit the question to arbitration. Japan made no reply to this suggestion but merely issued a decree announcing Japanese occupation this week.

The French Foreign Office refuses to accept unilateral action by Japan, particularly in the face of the arbitration offer by France. French circles interpret Japan's action as open admission that Japan has no legal right to the island and knows she would not be awarded them by any impartial arbitration board.—United Press.

Regarded as Ominous Threat

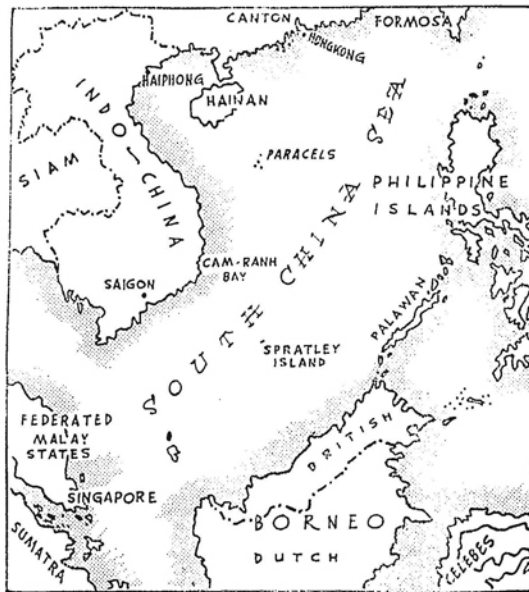
New York, Apr. 1. Japan's occupation of Spratley Island this week was regarded as an ominous threat to the United States, Britain, France and The Netherlands today by the "New York Times."

"Six years ago," the paper said, "France recognized the significance

of Spratley Island to her position in Indo-China, but yesterday the flag of the Rising Sun was raised with no opposition over this hitherto worthless group of islands. Japan has replaced France as possessor of the islands which suddenly mean much more than a spot on the charts because they lie far south of Hongkong, Manila, Hainan Island, and Saigon and they are only a few aeroplane hours from Singapore, British Borneo and the Netherlands East Indies.

"Characteristically, Japan has pounced upon the island while the European Powers are absorbed with vital matters at home."

Meanwhile the National Geographic Society issued a statement showing



Japan Seizes Spratley Island

Japan's seizure of Spratley Island, following her occupation of Hainan, has brought immediate reaction in Paris. As shown in the map, the island is of strategic importance in the South China Seas and is within immediate distance of Cam-ranh Bay which the French authorities of Indo-China were recently reported as fortifying. British interests, chiefly represented by the Singapore Base, are similarly very closely involved.

that Japan's occupation of the Islands brought her "within about 700 miles of the new British base at Singapore, or less than four hours by fast plane."

The statement pointed out that French Indo-China and British Borneo are within 1½ hours by plane. "The main island has been of no commercial importance, but deep water exists not far off-shore," the statement said.—United Press.

Britain's Displeasure

London, Apr. 2. Britain today expressed her official displeasure in a sharp protest to Japan after Tokyo had officially notified London of Japan's occupation of Spratley Island, only a few hours by plane from Singapore.

A Japanese Embassy official visited the British Foreign Office today to repeat Japan's official notification previously given to the British Ambassador in Tokyo. The Japanese official was informed in frank terms that Britain considers Japan's procedure a strange method for settling the disputed ownership of the islands.

"It is a method which cannot commend itself to his Majesty's Government," the Japanese official was informed.

The Foreign Office added that Japan's action was bound to complicate further the unsettled situation in the Far East.

Government circles understood Britain would soon enter into consultations with France and possibly the United States over Japan's action in occupying the strategic island, thus far Japan's southernmost point of penetration along the Asiatic continent.

Although Britain previously considered the island as her own possession, and never formally abandoned her claims to the island, she refrained from challenging French sovereignty there. French claims to the island are based on French occupation in 1933.—United Press.

Manila Apprehensive

Manila, Apr. 3. Increasing apprehension in American and Filipino military and political circles was noted here today as a result of Japan's easy occupation

first of Hainan Island and now of Spratley Island.

Both islands are regarded as being of great strategic importance to the Philippines and Philippine officials are watching with great interest to see what American, British and French reaction will be. Philippine officials believe the reaction of the democratic Powers will be an accurate indication of their future policies in the Far East.

"By no stretch of the imagination," the "Manila Bulletin" said today, "can Japan's occupation of Spratley Island be related to Japanese conquest of China. The seizure of these commercially insignificant reefs gives Japan a central base in a vast area which she claims to be her sphere of influence. The seizure of the island is a new affront to the French and an increasing threat to the Philippines."—United Press.

Sharp American Criticism

Washington, Apr. 3. Reflecting the general attitude in Congressional and defence circles here, Senator William King, Democrat of Utah, said today that Japan's invasion of Spratley Island between

Anti-British Agitation Inspired

Question in House of Commons; Spokesman Unable To Give Satisfactory Explanation in Shanghai

London, Mar. 30.

Mr. Robert Morgan, National Conservative member for the Stourbridge Division of Worcestershire, asked the Government in the House of Commons today whether they had received reports regarding anti-British propaganda now being stimulated among the newly-formed regional governments in China by the Japanese.

Mr. R. A. Butler, the Under-Secretary of State for Foreign Affairs, replied that Lord Halifax, the Foreign Secretary, had seen reports of such propaganda, but that he had not yet received official confirmation.—Reuter.

Hongkong, Mar. 31.

Anti-British posters opposing British loans to Chungking appeared on Canton streets today for the first time, reports from the City of Rams said.—United Press.

Shanghai Apr. 1.

At the Japanese press conference yesterday a correspondent asserted that papers in Nanking, Hangchow, and other cities under Japanese control definitely during the past ten days or two weeks had published editorially anti-British propaganda. He wanted to know if the Japanese army sponsored it or what relation existed. The Japanese army spokesman replied that the army was not associated with these sentiments, but when asked if the Special Service Section had any official connection, he stated that he was not clear on that point, but he would try to get information. He admitted that the Japanese—he did not know what organization—censored these papers.

The correspondent then insisted that the Hangchow papers were generally anti-white race, but definitely anti-British in tone. The spokesman remarked that in view of historical record of Great Britain in China and the recent actions of the British Government, it was easy to understand the attitude of the population—to say that the sentiments extended to other foreigners with the sanction of the Japanese was incorrect.

Peace and Order

Had the anti-British agitation received the sanction or authorization of the Japanese authorities, it was asked, the reply being that so long as the sentiments of the Chinese did not interfere with the peace and order of the occupied territories, the Japanese were content to allow them to continue their actions.

Another correspondent then asked if the spokesmen could differentiate between the British loan to China and the Sino-German barter agreement. In reply it was pointed out that the British loan was made recently, while the German agreement existed before hostilities broke out. It was a matter of time element, and the loans were a definite aid to Chungking.

When asked if the Japanese favoured the termination of the Sino-German barter agreement (Chungking), the Embassy spokesman said that an answer was outside his sphere.

After prolonged discussion, a spokesman again reiterated that the sentiment against Great Britain was known and they found that expression of these sentiments, at least in part, was unavoidable. "We do not think that such expression disturbs peace and order in the occupied areas."

"Has this expression the sanction of the Japanese authorities?"—"There is no question of sanction."

General anti-foreign agitation is not being undertaken or allowed, and the anti-British sentiments were not being promoted—they arose spontaneously, he said. It was then pointed out that no one had noticed any anti-American expressions and, "what has England done that America has not?" The spokesman replied that the local reactions could be gauged by the attitudes of the British and American Governments.

It was suggested that in the occupied areas the anti-white agitation was being "worked-up," whereas in Chungking foreigners and Chinese lived amicably and the retort was "there are no official reports to indicate that the situation is serious enough to disturb peace and order."

Another correspondent asked, these premises being the case, why did the Japanese urge Chinese to take up residence in the conquered territory and hindered Third Power nationals. In response, it was retorted that the Third Power nationals were Third Power, whereas the Chinese were not. All Chinese were potential guerrillas, it was suggested, but foreigners were not. There was no reply.

Japanese Envoy in Berlin Visits Rome

Berlin, Mar. 30.

Mr. Gen. Hiroshi Oshima, Japanese Ambassador to Germany, left Berlin for Rome today to hold consultations with Mr. Toshio Shiratori, Japanese Ambassador to Italy.—Domei.

China Currency Bill Made Law

London, Mar. 29.

The House of Lords today passed the third reading of the Bill giving effect to the Government's decision to guarantee £5,000,000 out of the £10,000,000 credit for the stabilization of China's currency. Royal assent was given to the Bill immediately afterwards.

Interest in China remains undiminished, despite the tense situation in Europe, and further questions on matters affecting British interests in China figured in the House of Commons today.

Mr. R. A. Butler, the Under-Secretary of State for Foreign Affairs, informed one questioner that the Japanese had paid to the Government of Hongkong the sum of C.\$20,000, to cover all claims in connection with the air raid near Shumchun, in which Japanese planes dropped bombs within British territory.

Invited to state the present position in Inner Mongolia, Mr. Butler described the Mongolian Frontier Joint Commission, and the smaller autonomous governments in Charhar and North Shansi. He added that Japanese troops were reported to be stationed at various points along the Peiping-Suiyuan Railway, but stated that the Government had no accurate information regarding their actual numbers.

Hongkong Emergency Powers

Mr. R. Sorensen, Labour member for West Leyton, drew the Government's attention to the emergency regulations in Hongkong, empowering the arrest and expulsion of people "apparently without regular employment." He suggested that such cases be submitted to a court of law, in order to avoid injustice.

Sir Thomas Inskip, the Secretary of State for the Dominions, stated in reply that, while emergency conditions persisted, the regulations were fully justified. No injustice, he emphasized, need be feared.

Mr. Sorensen persisted in his questioning, and declared that "any arbitrary and unjust action is not a good advertisement for our Government in Hongkong."

Sir Thomas repeated that the Hongkong Government was "dealing with thousands of refugees under extraordinary conditions, and extraordinary action is required."—Reuter.

British Protest Over Mission Bombing

London, Mar. 27.

When Japanese aircraft bombed Pingliang on March 15, ten bombs fell on the English Methodist Mission, killing eight persons, one of whom was Rev. A. G. Leigh, stated Mr. R. Butler, Under Secretary for Foreign Affairs, in the House of Commons today in answer to a question on the subject.

There was, he said, no other British casualty. The property, he continued, was clearly marked by large British flags and white letters on the ground.

The British Ambassador in Tokyo, Sir Robert Craigie, declared Mr. Butler had been instructed to protest to the Japanese Government.

When asked whether a claim had been made for compensation of the damage done to this British subject, Mr. Butler replied: "I have no doubt that a claim will be made."—Reuter.

British Naturalization Legislation

London, Mar. 29.

The British Government is considering the introduction of a legislation to enable residents in the mandated territories to become eligible for naturalisation as British subjects. It is, however, not yet possible to say when such a legislation is likely to be introduced.—Wireless through Reuter



DJIBOUTI has come into prominence again lately because it is the nearest port to Addis Ababa in Italian Abyssinia, 500 miles away, with which it is connected by rail. Djibouti itself, with a native population of about 15,000 and a few hundred foreigners, shimmers in the heat on the edge of the desert and the shores of the Gulf of Aden. Its average temperature in the summer is about 109 degrees in the shade, but in the winter it is said to be "easily endurable"

France Will Not Yield

M. Daladier Declares Italian Claims Still Obscure; Rome's Argument Refuted

Paris, Mar. 29.

"I HAVE already said so and I maintain that we will not give away either a single inch of our territories or a single one of our rights," the Prime Minister of France, M. Edouard Daladier, proclaimed to the world this evening in his radio address which was re-broadcast later in five foreign languages, English, Italian, German, Spanish and Arabic. In it he declared France was willing to examine any Italian proposals for a settlement of the present tense situation but only within the framework of the Laval-Mussolini Accords of 1935. He denied that the Italian Note forwarded to Paris on last December 17 contained any specifications or any references to either the Suez Canal, Djibouti or Tunisia.

M. Daladier asserted that it was on behalf of France that he was appealing for the co-operation of all nations determined to stand by peace. He emphasized that this appeal has already found response in all friendly countries in Europe and across the Atlantic Ocean. He stressed the complete solidarity existing between France and Great Britain. After avowing his anxiety over the present situation, in which no country is sure of her neighbours and in which the frenzy of armaments construction destroys all other forms of profitable activity, the Premier defined the aims of French policies.

"What does France desire? She desires peace among free men. What is the strength of France? It is her moral and material unity, realized once again in the face of danger. What is the resolution of France? It is to defend her ideals and her rights. Never has France been more united, never more determined, never more powerful than today. She hopes that peace will be saved for she has a hatred of war.

"But if war were imposed upon her or if it were presented as the only alternative to forfeit and dishonour, France would rise up united in the defence of her liberty."

M. Daladier detailed the various elements of France's present power, which he attributed chiefly to her improved financial and economic situation and to her great colonial empire.

France Can Defend Empire

"The strength of France is commensurate with this immense empire, of which the integral African block forms a central organism and of which I was quite recently able to measure the affectionate attachment and total devotion to the mother country," he specified.

Another source of French strength lay in spiritual and moral values, respect for individual rights within the bounds of liberty and order, tolerance of all opinions and the spontaneous unity of a whole people seeking truth and justice.

Dealing with the power of the French Army, he voiced his satisfaction over the country's response to the military measures decided upon by the Government.

Finally, he said French strength was due also to the nation's friendships, "those which consecrate our agreements and those which associate France with free peoples who suffer."

New Ideologies Denounced

M. Daladier then branded the new standards of certain Powers, where "servitude is called liberty."

"There, submission is called voluntary adherence or consent. Despair

is called pride in the desire to live one's own life. The destruction of human values is called progress. A pretence of working for the salvation of men is made while they are being led to ruin," he declared.

France, on the contrary, is determined to allow all men to live their own lives, to believe as their hearts dictate, never to be crushed under the heel of slavery.

"It is because we believe in this that we will never agree that relations between nations should be regulated only by force," he continued. "What regulate these relations for us Frenchmen are, above all things, justice and right. It is only when they disappear and violence is unchained that recourse to force becomes an indispensable duty."

Obligations to Italy

Referring to Franco-Italian relations, he described the 1935 Accords as designed to settle definitely and liquidate all outstanding problems between France and Italy.

He stressed that France executed her obligations and the agreement was never placed in doubt until Count Galeazzo Ciano, Italian Foreign Minister, sent the Note of December 17, announcing that Italy no longer considered the Accords to be valid.

He voiced surprise that some sections of international opinion gave credence to Signor Benito Mussolini's assertion, on Sunday morning, that Italy's claims were set forth in the Note and that the problems were specified as hanging upon Tunisia, Djibouti and the Suez. Belief in Il Duce's declaration would also lead to the belief that France had been officially informed of Italy's concrete demands but had not made any reply. He announced that the Italian Note and France's reply would be published.

"But here, this evening, I assure you that it (Rome's Note) contained nothing definite, that in it there was neither the question of Suez, nor of Djibouti, nor Tunisia.

"The Italian Note merely stated that in Italy's view, the Treaty of 1935 ceased to be valid, and it endeavoured to justify this view by reference to the conquest of Ethiopia, which asserted, created new rights for Italy.

"I need not tell you that we cannot accept this argument. It signifies that each new conquest or each new concession brings with it new rights. Thus, claims which could be presented to us would be practically limitless since each of them, once satisfied, would carry within it the basis for future claims."

The Premier next defined France's position. "I have already said so and I maintain that we will not give away a single inch of our territories or a single one of our rights."

He added, however, that Paris was ready to continue the loyal execution of the 1935 Accords both in their spirit and to the letter "on the bases which I have defined and which I have just recalled."

Limits on Parleys

"On these bases France in no way refuses to examine proposals which might be submitted to her," he added.

Referring to the situation in Tunisia, he denied charges that the 94,000 Italian settlers in that protectorate were ill-treated. On the contrary, Italians everywhere and in all French domains enjoy a most liberal regime, applied to their children as well as to themselves."

M. Daladier sent his greetings to the Moslem population of the French empire, stating, "They may be certain that France will ever remain their protector, loyal and vigilant, and that she will in no case allow her great mission to be placed in doubt."

He further stressed the courtesy shown Italians by the French, as evidenced by the hospitality extended to the thousands of Italians residing in France.

Germany and Czech Conquest

M. Daladier next dealt with Italy's axis partner, the Reich. He recalled efforts made to attain an understanding with Germany. He pointed to the Munich Agreement and its sequel, the Franco-German "non-aggression" Declaration, and to the French mission sent to Berlin to negotiate an economic agreement.

"The conquest of Czechoslovakia and the occupation of Prague by the German armies dealt the greatest blow to these pacifist efforts. During a number of years, we were told, in justification of certain acts, of the right of people to dispose of themselves. Since then we have been told of natural aspirations. Now, we are told of vital space, which is nothing but the continued development of the will to conquer."

M. Daladier stressed that war today would be a catastrophe to the world. "In the name of my country, I invite all Powers that think as we do to put their confidence in co-operation among those who, like us, are ready to persevere in the paths of peace but who, in a single movement of solidarity, would rise up in the face of aggression," he appealed.

He voiced his conviction that his words would find response in all friendly nations "throughout Europe and across the Atlantic."

He emphasized that Britain and

Notes Disputed by Rome

Italy Claims 1935 Accord Never Ratified; French Note Refutes Italian Contentions

Paris, Mar. 30.

MUCH-DISCUSSED Notes exchanged between the Italian and French Governments in the period from December 17 to 25, last year, bearing upon Italy's denunciation of the 1935 Laval-Mussolini Accords, were published here shortly after midnight last night. The Italian Note was originally handed by Count Galeazzo Ciano, Foreign Minister, to M. Andre Francois-Poncet, French Ambassador in Rome.

It declared that Article VII of the 1935 Accords provided that the agreement should enter into application after instruments would be exchanged. Italy pointed out that such instruments never were exchanged. Moreover, Article I provided that the agreement should enter into effect simultaneously with a special convention on Tunisia. Italy asserted that no negotiations for such a convention were ever launched.

"The Italo-French Treaty for the settlement of both country's interests in North Africa have therefore never been completed," the Italian Note claimed. It also asserted that the 1935 Accords were based on certain conditions never confirmed in practice.

The Note further specified that the Accords aimed to develop Italo-French friendship and establish confident co-operation between the two countries.

Italy made sacrifices in respect of the rights of its settlers in Tunisia and regarding rights originating from Article XIII of the 1915 London Accords. In this way, she took into consideration expected French understanding of the needs of Italian expansion in East Africa.

French Attitude Resented

But, the Note continued, France did not adopt such an attitude of understanding when Italy was obliged to take action to settle definitely her relations with Ethiopia. The French attitude afterwards was not consonant with expectations and was even directly contrary to it, Rome alleged.

"The Accords of 1935, which never entered into operation, as Your Excellency was able to register during the conversation of December 2, have thus become void and cannot be considered today as being operative," the Note stated. "The Accords applied to a situation which speedily became obsolete in the light of events which followed upon the application of sanctions (during the Ethiopian campaign).

"Moreover, the formation of the Italian Empire created new rights and interests of fundamental importance. Under these circumstances and in the interest of their improvement, Italo-French relations can no longer be based on the 1935 Accords."

In conclusion, the December 17 Note asserted that it is evident that the Accords must be examined anew by common agreement of the two Governments.

France think alike and pursue the same end by the same means.

"I can therefore entertain the hope that all reasonable men—and there are reasonable men in all countries—will hear this language of reason," the French Premier concluded.—Ilavass.

Following the publication of the Italian Note of December 17, the Quai d'Orsay issued the text of the French Note of December 25 refuting the Italian arguments for denunciation of the 1935 Accords signed in Rome by Il Duce and M. Pierre Laval, then French Premier.

The French Note recalled the ratification of the 1935 Accords by the French Parliament. "If the exchange of the instruments of ratification has not taken place, this was due to the postponement of the signature of the Convention on Tunisia, which was a prerequisite in the proceedings. France cannot be held responsible for the appreciation of circumstances which have induced Italy to wish such a postponement," the French Note stated.

Recalling that the 1935 Accords have been partly fulfilled through the cession to Italy of 2,500 shares of the Addis-Ababa Railway, the Note recalled that the Italian representatives in the course of French-Italian negotiations had always admitted that the 1935 Accords were operative. Such admission had been made as late as on April 22, 1939, in the course of a talk between the Italian Minister of Foreign Affairs, Count Galeazzo Ciano, and the French Chargé d'Affaires, M. Jules Blondel.

Italian Attitude Changed

Not a single gesture by France could have ever justified the change of Italy's attitude, the Note further stressed. It recalled the French initiative at Geneva on May 12, 1938, permitting the recognition of the Italian Empire by the majority of League members and the subsequent appointment, on October 12, of a French Ambassador to the "King of Italy and Emperor of Ethiopia."

The note pointed out that the French attitude as regards the Ethiopian affair was due to France's international obligations which had been fully explained to Il Duce by the then Premier, M. Pierre Laval, in January, 1935, at Rome. Finally, the Note concluded, Signor Mussolini himself has on several occasions expressed the appreciation of France's action in favour of moderation at the time of the Geneva proceedings, and of French efforts to conciliate the respect of her obligations toward the Covenant with her desire to preserve Franco-Italian friendship.—Ilavass.

FOREIGN TELEGRAMS (continued)

Nationalists Take Over Madrid

Spanish Civil War Nears Conclusion After Costing Million Lives and Destroying Much Wealth

Madrid, Mar. 29.

AFTER three years of sanguinary fighting Spain's "Little World War" which threatened to engulf all Europe, appeared to have ended last night after General Francisco Franco personally led 200,000 of his victorious Nationalist troops into Madrid where they were greeted with cheers of joy by almost 1,000,000 survivors of the most terrible military siege of modern times. To complete his military conquest of Spain, Gen. Franco needs only to clear a wedge shaped area extending eastward and southward from here to the Mediterranean. Other Republican cities have not unconditionally surrendered yet, but Republican resistance was shattered. The people in Republican Spain want peace—their soldiers have surrendered by the thousands and their leaders have fled.

Gen. Jose Miaja, president of the Republican National Defence Council which surrendered to Gen. Franco, flew to the Mediterranean coast yesterday and was reported to have boarded a foreign warship at Valencia.

Madrid surrendered yesterday without a shot being fired. Republican resistance collapsed elsewhere in the Republican provinces and the long civil war appeared to be over.

Immediately after occupying Madrid, the Nationalists broadcast an announcement that a full pardon had been granted all Republican soldiers not guilty of special crimes. The announcement said all prisoners and hostages being held by the Republicans had already been released. "Not a drop of blood was spilled during the occupation of Madrid," the announcement added.

Population Rejoices

The population of this battered city poured into the streets to rejoice that 32 months of costly war were over. Workshops and factories closed for the day as workers joined the throngs in the streets who were joyfully hailing the arrival of the Nationalist troops.

Mr. Joseph P. Kennedy, Jr., son of the United States Ambassador in London, was at the United States Embassy here to see the occupation of Madrid by the Nationalist troops. The Embassy is in charge of a Spanish caretaker.

The Nationalist red and gold banner appeared in windows throughout Madrid today as the white flags of surrender hoisted on the city's tallest buildings yesterday continued to mark the end of the Republican regime. The war cost approximately 1,000,000 lives and untold agony and destruction.

Nationalist reports indicated that Republican troops everywhere were surrendering except for scattered Communist units which feared execution if captured by the Nationalists. Half starved Republican troops on most fronts were glad to throw down their arms and take the bread and wine which Nationalist trucks supplied to surrendering Republican soldiers.

Governor Hands Over

The surrender of the city was formally completed when the Republican Governor of Madrid, Col. Pena Madrida, turned over his authority to Col. Rios Capatel, leader of the Nationalist brigade which Gen. Franco ordered to be the first Nationalist unit to enter the city.

Churchbells rang throughout Nationalist Spain in celebration of the capture of Madrid and Nationalist flags were hung out everywhere.

Losses in the civil war were estimated today at equivalent to £5,000,000,000 in lost national revenue, destruction of farm lands and groves and in wrecked factories, cities and art treasures.

For the world the Spanish civil war obviously marked the struggle between rightist, leftist and democratic philosophies which made Spain the testing ground for the future world war. The Spanish civil war probably will continue for many months at least as a diplomatic battle between the Democratic and Totalitarian Powers.

Britain and France in recent weeks have hastened to mend their political fences with the Nationalists for fear the new Spanish regime should become an adherent of the Rome-Berlin axis. What Gen. Franco must pay for Italian and German help thus far is unknown, but it is generally expected that they will demand large quantities of much-needed raw materials obtainable in Spain. They also undoubtedly hope for Spain's support in the event of a European war.—United Press.

Fascist Victory

Rome, Mar. 29.

While the Italian press and people hailed the fall of Madrid as a Fascist victory over Bolshevism, former King Alfonso of Spain, whose son, Juan, may be king, expressed great joy today when asked for an opinion on the surrender of the Republican capital.

Government circles were also overjoyed by the news, pointing out that Premier Benito Mussolini had forecast the fall of Madrid in his speech of Sunday.

Signor Mussolini learned the news of the fall of Madrid yesterday when he returned to the Venice Palace after reviewing a parade of 18,000 air pilots of whom 3,000 had fought in Spain.

After the parade, crowds gathered in the Venice Square and cheered Il Duce's appearances on the balcony of the palace and shouted "long live Nationalist Spain."

The "Popolo di Roma" said that Generalissimo Francisco Franco's victory "is the end to which all enemies of Italy and Fascism will come. The anti-Communist war in Spain has been won."

"Yesterday was a great day for Spain and Italy, all European civilization, even for the great and small Democracies which have been saved despite themselves from the Red plague," the "Popolo di Roma" said.

"Italy is doubly proud to have fought with Gen. Franco and to have contributed to the victory with the blood and heroism of her Legionnaires."

The "Messaggero" said that "in all the history of military operations there cannot be found a similar example of triumphant success."—United Press.

Italian Air Ace Loses Life in Spain

Rome, Mar. 28.

It was announced here this morning that Colonel Mario Vetrilla, one of Italy's best military airmen, had lost his life in an aeroplane crash in Spain.—Trans-Ocean.

Pope Thanks God For Spain Victory

Burgos, Apr. 1.

The Pope has telegraphed to General Franco stating that he had "expressed thanks to God for Spain's desired Catholic victory."—Reuter.

Man-Power Register in Australia Compulsory

Canberra, Mar. 29.

The Cabinet has decided to draw up a compulsory national register of man-power, reversing a previous decision in favour of a voluntary register, it was announced by Mr. J. A. Lyons, Prime Minister, at a press interview today.

Mr. Lyons also announced that the Government has adopted the recommendations of the British Air Mission now in Australia, to establish central erection units in Sydney and Melbourne, at which complete military and general reconnaissance aircraft will be produced.—Reuter.

Mr. R. S. Hudson Arrives in Sweden for Talks

Stockholm, Apr. 1.

Mr. R. S. Hudson, the British Secretary for Overseas Trade, arrived here today for conversations with Swedish trade experts. He is also to hold talks with members of the Government, and officials of the various Government departments.—Reuter.

Anglo-Finnish Trade

London, Mar. 31.

The trade talks between Great Britain and Finland were concluded in Helsinki today. Mr. R. S. Hudson, Secretary for Overseas Trade, who headed the British delegation is proceeding to Stockholm tomorrow.—Wireless through Reuter.

Conflict Declared Officially Ended

Madrid, Apr. 1.

Generalissimo Francisco Franco issued a final war communique today declaring that "the war in Spain is ended." The communique was broadcast from Spanish radio stations throughout the country coincident with the concentration of Italian troops at Almeria for immediate withdrawal from Spain.

Between 15,000-20,000 Italians, comprising the Littoria Division, reached Almeria today and members of mixed green, black, blue and brown divisions also were arriving. A composite unit of Italian troops will remain here to represent Italy when

Swiss Defences Ready For War

Zurich, Apr. 1.

Switzerland today took emergency precautions to guard all her frontiers against a surprise attack by Germany. Mines were loaded along the frontiers and roads and bridges were specially guarded. Defence precautions were understood to be even more extensive than those undertaken at the time of the Czech crisis last September.—United Press.

The Nationalist forces hold their triumphant parade through Madrid next week.

Meanwhile, the Nationalist Government announced extension of its control to extreme south-eastern Spain, the last Republican zone to fall under Nationalist domination. Almeria, Murcia and Cartagena were among the cities formally occupied.

Gen. Franco earlier had received a message from Pope Pius XII in which he received the Apostolic Blessing. The Pope expressed gratitude for the "victory of Catholic Spain." He also expressed the hope that Spain would resume "with new vigour her former Christian traditions."

Gen. Franco replied immediately, expressing "intense emotion caused by your Holiness' paternal telegram" and gratitude for the Pope's "phrases of love."—United Press.

Foreign Minister Watched

Madrid, Apr. 2.

Senor Julian Besteiro, Foreign Minister in the National Defence Council, is being kept under close watch.

Major Basabater, Special Judge appointed by the Nationalists, has started proceedings against those charged with misdemeanours accomplished as far back as 1917.

The proceedings thus bear upon the activities of Senor Besteiro, who is considered the founder of Socialism in Spain since the revolutionary strikes in 1917, and the leading light in the constitution of the National Defence Council.—Havas.

Royal Visit to U. S. Plans Announced

London, Mar. 29.

Their Majesties, the King and Queen, will begin their four-day visit to the United States in June at Niagara Falls, it was officially announced.

Their Majesties, on entering the United States at Niagara Falls, will be officially greeted by Mr. Cordell Hull, U. S. Secretary of State, and other high officials of the American Government.

The King and Queen will then depart for Washington in a special train. President Roosevelt and his family will meet King George and Queen Elizabeth at the railway station and will accompany them to the White House where they will remain as his guests for two days.—United Press.

King George Inspects Armaments Factory

SPECIAL TO THE "N.C.B.N."

London, Mar. 31.

Probably the most up-to-date armament factory in the world, built at Euxton near Chorley in Lancashire at the cost of £12,000,000, was inspected by the King today.

The secrets of the factory, which is almost ready for production, have been closely guarded and special guards were on duty today. Extra precautions were also taken to guard the Royal train.

Lord Derby received the King. He explained to him the intricate system of fifty miles of roads, 25 miles of railways and 35 miles of underground passages which honeycomb the factory.—Reuter.

U.S. Recognizes Nationalists

Official Action Comes Swiftly Taking Observers By Surprise; Aggression Principle Not Violated

Washington, Apr. 1.

MOVING swiftly and by surprise, the United States today announced formal recognition of the Spanish Nationalist Government headed by Generalissimo Francisco Franco. Although the State Department was known to be considering recognition of the Spanish Nationalist Government, Congressional circles did not expect a decision for several months.

The Government took the position that recognition of Gen. Franco's Government did not violate the principle of refusing to recognize aggressive conquests on which America has refused to recognize the conquest of Ethiopia, Manchoukuo, Austria and Czechoslovakia. This principle was not violated, Government circles said, because the United States never officially took notice of German and Italian troop activity in Spain.

The Secretary of State, Mr. Cordell Hull, revealed the Government's sudden decision to the press before the message to Burgos had even been delivered. He said the decision had been reached only after careful deliberation of all factors involved.

The Government's decision was believed to have been influenced by heavy pressure from conservative and Catholic circles in the United States. Equally important, however, was believed to have been the hope of weakening the alliance between Nationalist Spain and the Totalitarian Powers by offering friendly relations with the United States. Noteworthy was the fact that the Government's action was parallel with that taken by Britain and France several weeks ago.

President Roosevelt issued a proclamation in Warm Springs, Ga., revoking his previous proclamation of May 7, 1937, in which he had declared a state of civil war in Spain. He said conditions which prompted the original proclamation have "ceased to exist."

The State Department simultaneously abolished all passport, financial and other restrictions regarding Spain and re-established relations on the same basis as prior to the Spanish civil war.

Mr. Hull said the United States had not yet selected her Ambassador to Nationalist Spain.—United Press.

Norway Recognizes Burgos Regime

Oslo, Apr. 1.

The Norwegian Government recognized the Nationalist Spanish Government yesterday, according to an announcement released here last night.—Trans-Ocean.

Italian Air Generals Made Senators

Rome, Mar. 28.

King Vittorio Emmanuel III has at the suggestion of Signor Benito Mussolini conferred the title of Senator on four Italian air Generals. Among them is General Liotta who was wounded when in command of the Italian air force in Abyssinia and who now holds the post of Air Attache at the Italian Embassy in Berlin.—Trans-Ocean.

Some One Must Give Italy Space

Rome, Apr. 1.

"If there is not sufficient space for us, some one must give it to us," declared Signor Mussolini today, addressing the people of Capua. "Neither printed paper nor ink," the Duce added, "will stop us, because above them are our will, and our blood."

Signor Mussolini later returned to Rome.—Reuter.

Door Still Open to Negotiations

London, Mar. 27.

Il Duce's speech has created an opportunity for a settlement between France and Italy, while maintaining Italy's connection with Germany, "The Times" stated this morning, commenting on the speech made in Rome yesterday by Signor Mussolini. "Il Duce is ready and willing to make friends with France provided that he can obtain reasonable concessions from her. Still at the same time he insures Italy's connection with Germany," the paper declared.

According to the paper's diplomatic correspondent, "Il Duce's speech is being closely examined in Whitehall. The general opinion is guarded, but at first reading it is felt not to have increased—perhaps even here and there to have straightened out—the tangles of the European situation."—Havas.

Washington Impressed

Washington, Mar. 28.

The conciliatory tenor of Signor Benito Mussolini's speech favourably impressed official and financial circles here today.

Senator Claude Pepper, Democrat of Florida and who is often the Administration spokesman on Foreign Affairs, said the speech indicated that a peaceful settlement of the present crisis was possible.—United Press.

New York Press Warning

New York, Mar. 27.

The "New York Herald Tribune" today in an editorial warned against accepting Il Duce's address as "moderate," pointing out that Chancellor Adolf Hitler's speech of January 30 was followed by the absorption of Czechoslovakia.

The "New York Times" said, "none of the positive statements in the speech deserves the term conciliatory. The address leaves Europe as before, lacking real security but apparently saved momentarily from a new crisis."—United Press.

German Reactions

Berlin, Mar. 27.

An inspired statement to the foreign press today says: "Italy has now clearly defined, in the words of the head of its Government, its historic claims with regard to Tunis, Djibuti and Suez—the question of modus has been left open—so there can scarcely exist, any longer, the possibility of evading a reply."—Reuter.

Former Japanese C-in-C. Promoted Admiral

Tokyo, Apr. 1.

Vice-Admiral Kiyoshi Hasegawa, commandant of the Yokosuka Naval Base and former commander-in-chief of the Japanese China Seas Fleet, today was promoted to a full admiral, the Navy Ministry announced at 11 o'clock this morning.

Also promoted was Vice-Admiral Marquis Takayoshi Kato, a Supreme War Councillor, the announcement said.

Both admirals were formally invested into office at a ceremony at the Palace at 10 o'clock this morning.—Domei.



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Subsidize Tramp Shipping

Sum of £2,750,000 to Be Granted Each Year ; Value in Defence Needs Stressed in Commons

London, Mar. 28.

SUBSIDIES to shipping and shipbuilding were announced in the House of Commons today by Mr. Oliver Stanley, the President of the Board of Trade, who recalled that the importance of these industries did not rest only on the contribution they made to the country's economic resources, but that they were also an essential part of national defence. Mr. Stanley intimated that an annual sum of £2,750,000 would be available over a period of five years for tramp shipping—the scheme following the general lines of the former scheme, dating from 1935.

As regards liners, it was proposed to appoint an Advisory Committee for an experimental period of two years to examine and advise the Government on requests for assistance from liner companies, whose services were endangered by subsidized foreign competition. Parliament would be asked to make financial provision, to enable the Government to grant financial assistance promptly in cases where they decided it was necessary. In cases in which other parts of the British Commonwealth were concerned, there would be consultation.

While these measures might be expected to stimulate shipbuilding in due course, Mr. Stanley said, he would now outline measures intended to give more direct and immediate encouragement to Great Britain's shipbuilding industry.

To give more confidence to the ship-owner, it was proposed to provide funds from which owners of tramps and cargo liners—other than refrigerated or passenger vessels—ordered in the next few months from shipbuilders in the United Kingdom would receive a grant of an appropriate amount in each of the next five years.

Exceptions would be any years in which earnings were sufficient to make such a grant unnecessary. The amount to be used for these grants would not exceed £500,000 a year during the five-year period.

Loans to Ship-Owners

The Government proposed also to make available £10,000,000 for loans to ship-owners over a period of two years, on favourable terms, for the purpose of building in Great Britain tramps and cargo liners—other than refrigerated vessels and passenger liners—including tramp and cargo vessels intended for the coastal trade. Loans would be made on financial terms similar to those under the "scrap and build" scheme of 1935. No condition as to scrapping old vessels would, however, be attached.

Finally, the Government had decided that the present situation called for a further exceptional measure, to increase the amount of tonnage under the British flag.

Old Ships to Be Bought

They accordingly proposed to ask Parliament to make £2,000,000 available for the purchase of suitable vessels on the United Kingdom register, which, though still capable of service, would otherwise be sold to foreign owners, or for breaking up. The proposals outlined by Mr. Stanley, it is observed in London, do not include any assistance for oil tankers.

In the case of each form of assistance, official circles stress, the expectation of the Government is that the interests concerned will take steps during the term of the subsidy to improve their position, so that Government assistance will not be necessary.

In the case of the subsidy to tramp shipping, these circles add, the industry is expected to do its utmost to promote international measures to safeguard freight rates.—Reuter.

£3 a Week Pension at Age of 60

SPECIAL TO THE "N.C.D.N."

Wellington, Apr. 1.

The Government's Social Security Act, whereby married couples aged 60 or over receive pensions of £3 per week, was inaugurated today.

It is hoped that free hospital, medical and maternity benefits under the Act will soon be available.

Mr. Michael J. Savage, the Prime Minister, declared in an interview that the scheme represented the "best social security system in the world."—Reuter.

Lithuanian Demarche Made to Reich

Kaunas, Apr. 1.

The Lithuanian Legation in Berlin is reported to have made representations to the Reich authorities regarding the present situation in Memel territory. The situation, they are said to have informed the German Government, is not in conformity with the recently concluded German-Lithuanian Treaty. Many Lithuanians, it is alleged, have been arrested, and subjected to "economic persecution."—Reuter.

King Congratulates R.A.F. on Anniversary

London, Apr. 1.

Today the Royal Air Force celebrated its 21st anniversary, and His Majesty the King sent a message in honour of the occasion:

"On the occasion of the 21st anniversary of the Royal Air Force, I send my congratulations and good wishes to all ranks of service and to all employed in the Ministry. I have known the Royal Air Force from its earliest days, and I am proud to think that its spirit remains unchanged, a spirit that has enabled it to surmount so many difficulties, and to rise true to its motto to even greater heights of achievement."

Messages were also received from Sir Kingsley Wood, Secretary of State for Air, Lord Trenchard, Marshal of the Royal Air Force, Air Chief Marshal Sir Cyril L. N. Newall, Chief of the Air Staff. Sir Kingsley is broadcasting a short talk on the anniversary tonight.

Great impetus to recruiting is expected as a result of the recent decision to double the Territorial Army. Local organizations all over the country are preparing every means for their disposal for a big national effort. All means of publicity are to be employed, and from now on no prospective recruit will be turned away. The organizers show the greatest confidence in the success of the drive.

Mr. Leslie Hore-Belisha, Secretary of State for War, appealing at Bournemouth for recruits for the Territorial Army said in reference to Mr. Neville Chamberlain's statement on Poland:

"Our country has spoken. With what pride we must all have heard the message which springs from the true heart of the British people, and which says to a would-be aggressor 'Hold back, no further will you go.'"

Mr. Hore-Belisha added that the Territorial Army is now the largest voluntary army in the world.

As a part of the recruiting drive, a demonstration of the achievement of voluntary efforts to make strong the country's defences took place in Hyde Park this afternoon.

Fighter planes flew over the park in formation during daylight, and after nightfall single aircraft flew over it, while searchlights on the ground tried to find them. Military and civil defence units demonstrated how in an emergency they could serve the community, and every facility for inquiries about the various units was available to the general public.

Among those who attended the demonstration, were the Secretary of State for Air, Sir Kingsley Wood, the Minister of Labour, Mr. Ernest Brown, and the Financial Secretary to the War Office, Sir Victor Warrender.—Wireless through Reuter.

Washington Impressed by Strong British Stand

Washington, Apr. 1.

United States authorities today regarded Britain's pledge to aid Poland in time of war as an indication that Britain is thoroughly alarmed by the possibility of further totalitarian expansion and is prepared for action instead of words and appeals for appeasement.

The statement by the British Prime Minister, Mr. Neville Chamberlain, was stronger than United States authorities had expected.—United Press.

Onus Put on Germany

Warm Springs, Ga., Apr. 1.

President Roosevelt feels that Britain's pledge of support to Poland makes it clear that Germany's continued aspirations to dominate other nations must be checked, sources close to the President revealed last night.

Mr. Roosevelt feels there is no apparent limit to which German policy may be carried on an increasing scale in any part of the world. The President believed that the entire world is concerned with German aggression because hopes of amercement which followed the September crisis have now been dissipated.

Germany's continued aggression is considered by the President to constitute a threat of world domination by Germany, not only in Europe but on other continents including Africa and possibly America.

President Roosevelt, it was said, has been deeply impressed by Germany's invasion and dismemberment of Czechoslovakia. Previously Germany had sought to include only Germans in the Reich, but in the Czech invasion she brought millions of Slavs into Germany and achieved domination over millions of Hungarians and Rumanians. This significant change of German policy points toward German aspirations to dominate the entire world, the President was said to believe.—United Press.

Mr. Halliburton's Junk Missing

San Francisco, Mar. 30.

Mr. Richard Halliburton, noted American adventurer, and his party aboard a Chinese junk en route to San Francisco from Hongkong, have not been heard from since last Friday, Mackay Radio revealed here today.

The Halliburton junk was 1,500 miles west of Midway Island when last heard from on Friday. The radio aboard the junk has been silent since that time.—United Press.

More U. S. Credits for China for Aircraft

Hartford, Conn., Mar. 30.

Negotiations have been completed here with the Chinese Nationalist Government for a \$15,000,000 credit in the United States for the purchase of aeroplane motors from the Pratt-Whitney Division of the United Aircraft Corp.

It could not be verified whether the entire credit would be spent with the one manufacturer. Announcement of the new credit confirmed recent reports from Chungking, China, where the credit negotiations were first reported.

The counsellor of the Chinese Embassy in Washington, Mr. Chang Lok-chen, told the press that he had no knowledge of the plane motor credit negotiations. United States official sources said that if such an arrangement had been completed, it had been done under an entirely private contract involving no Government contracts.

Some informed quarters believed most of the negotiations for the new credit were carried out in China.

Meanwhile, reliable sources reported that France had ordered 1,000 plane engines from Pratt-Whitney in the past six weeks at a cost of approximately \$14,000,000. France also holds an option for the purchase of 200 more motors at \$3,000,000.—United Press.

Frontier Dispute Is Settled

Bratislava, Apr. 1.

The Slovak-Hungarian frontier dispute was settled today with Bratislava agreeing to give up a 30-kilometre-wide strip of territory to Hungary. Populating this area are more than 60,000 people, all either Ruthenians or Slovaks.

The agreement provides for no counterpart concessions to Slovakia. As a result of this agreement, confidence in Germany's protection over Slovakia was greatly shaken in local political quarters, which emphasized that the Reich guaranteed this country's integrity for 25 years—and a week after this guarantee was given, the Slovaks had to cede a portion of their territory.—Havas.

OBITUARIES

Sr. Gerardo Machado

Miami Beach, Fla., Mar. 30.

Sr. Gerardo Machado, former President of Cuba, died here today following an operation for the removal of a small tumor. He has been living in exile in the United States since he fled from Cuba in 1933.—United Press.

Sir George Harvey

SPECIAL TO THE "N.C.D.N."

London, Mar. 28.

Another vacancy has occurred in the House of Commons, the fifth within nearly a week, by the death today of Sir George Harvey, Conservative member for the Kennington division of Lambeth. He was Mayor of Holborn from 1920 to 1924 and was knighted in 1936.—Reuter.

Sir George Harvey, M.P.

London, Mar. 28.

The sixth Member of Parliament to die in twelve days will make the eighth by-election now pending. Sir George Harvey, Conservative member for the Kennington Division of Lambeth, South London, who died last night at the age of 70 years, had a majority of 546 at the last election over his Labour opponent.—Wireless through Reuter.

Count Tanaka

Tokyo, Mar. 29.

Maj.-Gen. Count Mitsuaki Tanaka, veteran statesman of the Meiji restoration period, died last evening at his villa at Kambura-machi in Shizuoka Prefecture. He was 96 years old.

Born a member of the Kochoi-Sumuri clan of feudal days in 1843 on Shikoku Island, Count Tanaka was the eldest son of Mr. Mitsuoyoshi Tanaka. During the last days of the Tokugawa Shogunate he contributed greatly toward the restoration of Imperial rule.—Domei.

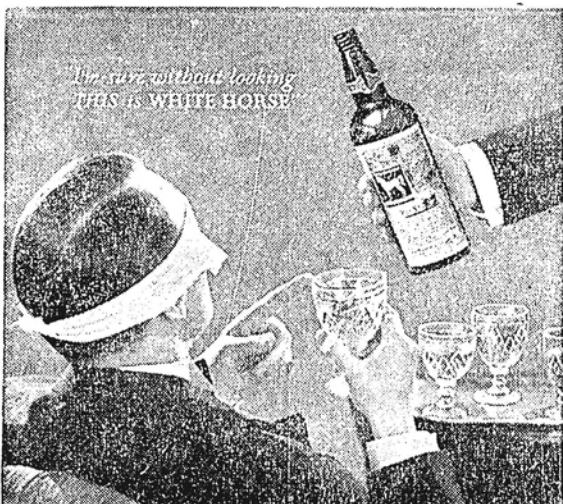
Maj.-Gen. H. C. Money

SPECIAL TO THE "N.C.D.N."

London, Mar. 28.

Major-Gen. Herbert Cecil Money, C.B., died here today at the age of 82. He had a distinguished career as officer in the Royal Marines, serving in many engagements, and as Aide-de-camp to King Edward VII from 1905-09. He joined the Royal Marines at Chatham in 1876, and served in the Royal Marine battalion which was sent to South Africa in 1879.

He was also with the Royal Marines throughout the war in Egypt, 1882, and was present at the occupation of Port Said, and at all the actions culminating in the battle of Tel-el-Kebir. Maj.-Gen. Money served in the Sudan War, 1884, and in the Boer War, 1900-1. He was Senior Officer of Marines in the Mediterranean Fleet from 1897-99, and Commandant of the Plymouth Division from 1909-10. He retired in 1920.—Reuter.



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New U.S. 45,000-Ton Battleships

Washington, Mar. 30.

The two 45,000-ton battleships which the United States Navy will lay down this year may smash all armament, speed and cruising records in their category, official circles believed today.

Informed quarters indicated that the new battleships, approved by President Roosevelt yesterday, will

Earthquake Shocks Felt in Greece

Athens, Mar. 27.

Intense earthquake shocks were felt today at Athens and other cities in Greece. The most severe of the shocks was in the Chalkis area, north of Athens. Damage was reported slight.—United Press.

mount twelve 16-inch guns compared to nine such guns on the 35,000-ton battleships.

The new super-dreadnoughts, which will require four years to complete, will be capable of a speed of thirty knots, it was understood. They will carry enough fuel for cruises over tremendous distances, but their exact range has not been revealed.

The new battleships will be 820 feet long, 108 feet at the beam and 36 feet in draught. They are expected to cost about \$95,000,000 each.

President Roosevelt said yesterday that he had approved the Navy's plans for building the new super-battleships because Japan had exceeded the 35,000-ton limitations of the London Naval Treaty and had refused to negotiate for another limitations agreement.

Meanwhile, the Navy Department disclosed it would soon begin construction on a fleet of "mosquito" boats which will not exceed 3,000 tons. Each of the ships was authorized under the \$15,000,000 experimental programme approved last year.—United Press.

New Aircraft-Carrier

Washington, Mar. 31.

The Navy Department today signed a contract for the construction of the aircraft-carrier Hornet. Cost of the hull and engines will amount to \$21,000,000.—Havas.

U.S. Reorganization Bill Passes

Washington, Mar. 30.

The House of Representatives climaxed a bitter two-year fight today when it completed Congressional action on the Administration's governmental reorganization bill. The bill now goes to the White House for President Roosevelt's signature.

The bill permits the President to issue reorganization orders which become effective unless both houses of Congress disapprove of them within 60 days. It is a compromise bill "rafted" after Congress defeated the President's original reorganization bill in the last session.—United Press.

France Buys 715 U.S. Warplanes

Washington, Mar. 29.

France has ordered 715 American fighting planes since the arrival of the French Air Mission in the United States several months ago, it was revealed today. The French Air Attaché in Washington, Col. René Veiser, said he had ordered 109 Martin light bombers this week.—United Press.

FROM THE FOUR WINDS

History of Fisheries Dispute

Japanese Claims Not Substantiated by Facts ;
Russia Exerting Rights in International Law

SPECIAL TO THE "N.C.H.N."

THE fishery dispute between Soviet Russia and the Empire of Japan having in recent days assumed the dimensions of a first-class international quarrel, which, if not settled, might even lead to war, it is of interest to review the history of this question and to try and make clear what it is really all about.

Understanding of the problem has been made more difficult than necessary by the use of misleading terms. The Japanese, for instance, are constantly asserting that all they are asking for is the right to "free fishing". On hearing this, one at once thinks of the "Freedom of the Seas" and imagines that the Japanese are being denied the right to fish even on the high sea. That does not enter into question at all, as according to International Law every nation has the right to fish on the high sea. The dispute centres round the territorial waters within the 12-mile limit of the Russian coast.

Moreover, it must be noted that the "fishing lots" of which there is so much talk include not only a specified area of water, but also the foreshore to a certain depth inland, on which the fishermen are allowed to erect their canneries and other temporary buildings and to live there during the fishing season from April to August. Again, when the Japanese talk of "stabilized lots," all they mean is certain areas allotted to their fishing-boats by agreement, the so-called "stabilization" existing solely in their imagination and is, indeed, one of the main grounds of dispute.

In general, then, this fishery dispute between the two countries is over fishing rights inside Russian territorial waters, the Russians claiming the right to make what rules and regulations they like on their own territory, and the Japanese claiming that in the course of years they have acquired certain prescribed rights which are no longer open to discussion, even though inside Russian territorial waters.

Origins in 1905

The present dispute goes back to the Treaty of Portsmouth of September 5, 1905, which closed the Russo-Japanese war. Article Eleven of this Treaty states:—"Russia engages to arrange with Japan for granting to Japanese subjects rights of fishery along the coasts of the Russian possessions in the Japan, Okhotsk, and Behring Seas. It is agreed that the foregoing engagement shall not affect the rights already belonging to Russian or foreign subjects in those regions."

It will be seen that this clause deals merely with the general principle and does not go into any details. For that purpose a Fisheries Convention was concluded between the two countries on July 28, 1907. In those days the fishing industry of neither country—quite especially not that of Russia—had assumed anything like the dimensions that it has today. There was, therefore, enough for both, and no cause for dispute.

With the Russian Revolution of 1917 Russian fishing interests disappeared practically completely from these waters, and the Japanese had a free hand along the whole coast, or, as a certain Japanese peer put it in the Diet, "they operated their fisheries in accordance with the principles of business management." The Soviet government was much too occupied in consolidating its own position to worry about fishing rights in these Far Eastern waters, and it was not till 1925 that it began to look into the matter. In that year an agreement (Yoshizawa-Karakhan) was signed, by which licences were issued for the fishing lots, and as Japan took eighty per cent. of these lots, she had no grounds for complaint. It was, however, obvious that this could not last and that, as Soviet Russia began to feel her strength, she was certain to insist on obtaining a larger proportion of the fishing in her own waters.

Auctioning Introduced

In 1928 a fresh agreement was signed in which Russia for the first time introduced the system of auctioning the fishing lots. This is where the trouble started. The Japanese, in the course of close on a quarter of a century of practically undisturbed fishing since the Portsmouth Treaty, had begun to regard the right of fishing in Russian territorial waters as an undisputed right accrued to them by custom and precedent. But the system of auctioning cut directly through such rights, when anybody could bid for a lot which would go to the highest bidder. This caused constant friction, and in 1932 a provisional agreement was drawn up, whereby a certain number of so-called "stabilized" lots—the Japanese claim 280—were to be auctioned, but only to the Japanese.

But the trouble continued, and there were constant disputes as to

which were really "stabilized lots," more especially as, in the course of time, the Japanese had reserved for themselves all the bigger and better fishing lots. Finally a fresh agreement was initiated on November 2, 1936, in which both governments made a number of concessions; it was to have been signed on November 20, and the prospects of settling the long dispute looked very hopeful. Unfortunately, while this fishery agreement was being negotiated with Russia, the Japanese Foreign Office, with its well-known but upsetting habit of working in water-tight compartments, and with a great facility for doing the wrong thing at the wrong moment, not only went and signed, but even made public, its famous anti-Comintern Pact with Germany. The Russian government, not entirely unnaturally, took this as a challenge to itself, and on November 19 declared its refusal to sign the Fishery Agreement.

Negotiations Reopened

After much bickering and mutual recrimination, negotiations for a fresh settlement were again opened. But the Japanese had missed their chance. For now the Soviet government not only reverted to the original plan of 1928 of auctioning the whole of the fishery lots impartially—and without any consideration of Japanese claims—but also, on the plea of military security and for reasons of fish conservation, withdrew from the auction forty of the lots which the Japanese claimed as their own special preserve. All demands of the Japanese for exemption of the stabilized lots "belonging to Japan" were firmly rejected, and on March 15 the auction of all the lots took place, at which the Japanese fishing interests did not take part.

Now let us review the arguments on either side. The Japanese, in effect, say:—"We have been fishing in these northern waters, in accordance with the rights conferred on us by the Portsmouth Treaty, for over thirty years. We have built up an industry worth nearly fifty million yen, of which not million yen's worth is exported direct to foreign markets, so that the fishing industry plays an important part in balancing our international payments. Moreover, it employs over twenty thousand of our fishermen from Hokkaido and Saghalin who make from three to five hundred yen in a season."

Of the 280 lots the only ones that the Soviet government has a right to auction publicly are nine ordinary ones, the leases of which expire this year. The remaining 271 are stabilized lots, where the Japanese have been fishing all these years. The auction of these lots to any bidder and to withdraw, on flimsy pretences, forty of the best lots from the auction even, is a breach of the spirit of the Portsmouth Treaty and of the letter of the later Fishery Conventions, and a denial of the clear rights of Japanese fishing interests. (Some of the wilder members of the Diet have talked a lot about the fishery dispute being a much deeper struggle, one between two ideologies; but as will have been seen, there was no question of that up to now, and no importance need be attached to that kind of nonsense.)

The Russian Case

The Russian case is as follows:—
1. All the fishery conventions are based on the Treaty of Portsmouth. This treaty has been broken both in the spirit and in the letter by Japan: firstly by her seizure of Manchuria; and secondly by her fortifying the Soya Straits between Hokkaido and Saghalin. By this latter measure Russian fishing fleets have been denied direct access to the outer Pacific. Having broken the treaty in this way the Japanese cannot base any claims of their own on it any more.

2. The money derived from the auctions is an entirely minor point.

Berlin Has Too Many Women

Berlin, Mar. 20.

Berlin, like quite a number of other world capitals, is suffering from a "woman problem." The particular trouble is that Berlin has too many women. The German authorities have made strenuous efforts to attain a better balance between the two sexes but admit these attempts so far have failed completely. The number of women here, condemned apparently to lifelong spinsterhood, is actually still increasing.

Out of a population of approximately 4,000,000, Berlin today has more than 350,000 surplus women. According to statistics published by the municipal authorities here, that surplus is more than double what it was before the Great War. This phenomenon becomes even harder to explain in view of the fact that the number of boys born in Berlin and throughout the Reich in recent years has exceeded the number of girls born by about five or six per cent.

According to official explanations the surplus of women can be traced back to the large number of men killed in the Great War and to the fact that many men have been drafted away from the capital for military service and jobs of "national importance." Meanwhile the number of Berlin's spinsters goes on increasing.—United Press.

Maharaja of Holkur Weds American

SPECIAL TO THE "N.C.H.N."

Indore, Mar. 28.

The Maharaja of Holkur has announced at a special Durbat that he married in Europe the former Miss Marguerite Lawler, an American whom it is understood he met in California several years ago. This is the Maharaja's second marriage, as he married the daughter of the Junior Chief of Kagal in 1924. He has stated that his present marriage will not affect the line of succession. The Maharaja was educated at an English school and at Oxford.—Reuter.

Religious Measures Passed in Germany

Berlin, Mar. 29.

Measures which appear to be a clear attempt to paralyse action in opposition to the Evangelical Church, of which Dr. Neimoller is the head, were passed by the Supreme Council of the Evangelical Church, which controls all Protestant creeds in Germany, today.

The measures provide that a pastor can be appointed to another parish against his will, that the Council can nominate a pastor, and that every parishioner can be permitted to choose another pastor other than the local priest for religious purposes.—Reuter.

The right of holding an auction is a matter of principle.

3. According to International Law the Russian government has a perfect right to make what rules it likes for the fishing grounds in its own territorial waters. For the Japanese to claim for themselves in these waters special inherent rights which must not be touched, amounts to a denial of Russian sovereignty there.

4. With the rapid increase of the population in Eastern Siberia, fish has become an important staple food, and the Russian government is doing all in its power to increase the catch. It has been drawing up careful regulations for improving and conserving the fishing, which regulations are completely ignored by the Japanese fishermen. The Russian government is therefore all the more determined to exercise full control over the whole of its fishing grounds.

So the dispute stands. One auction has already taken place; a second is to be held early in April. The Japanese position would not appear to be a very strong one: they are faced with the alternative of a major war or of protective measures which are scarcely likely to prove effective. It is not at all so easy to protect with warships and planes a fishing fleet that is scattered all over the sea, especially when only twelve miles off the enemy's shore. The sinking or capture of even a few fishing vessels would put an end to all profitable and peaceful fishing, even if the Japanese warships succeeded in destroying some of the attacking Russian submarines or fast motor-boats.

Presuming that the Japanese do not want to have a second major war on their hands, it therefore appears highly likely that—despite the thunders in the Diet and the Press—the Japanese fishing interests will quietly attend the second auction and bid for the lots offered them, without further demur.



THE TWELVE TERRESTRIAL BRANCHES OR ANIMALS OF THE TWELVE-YEAR CYCLE AND CHINESE ZODIAC AS SHOWN ON AMULETS AND CHARMS.

WHAT YEAR WERE YOU BORN?

By ARTHUR DE CARLE SOWERBY

Before the Nationalist Government of China adopted the Gregorian Calendar of the West, some ten years ago, the Chinese reckoned time, not by the years preceding or following the birth of Christ, but by a system of 60-year cycles, each divided into five lesser cycles of twelve years. To each of these twelve years they assigned an animal, commencing with the rat and continuing in the following order with the ox, tiger, hare, dragon, snake, horse, sheep, monkey, cock, dog and the pig. These animals are also known as the Twelve Terrestrial Branches.

In former days in China, when a man was asked his age, as often as not he would merely mention the name of the animal representing the year of his birth. By reckoning back the interrogator could ascertain his age. This cyclical system of chronology is still in use amongst the more conservative Chinese, especially in rural districts and in cities and towns of the interior away from Western influence.

Special Significance

Each of the twelve animals has some special significance, according to which, in some cases but not in all, the year it represents is auspicious or otherwise. The Year of the Rat, being the first of each lesser cycle, is considered a lucky one, although the rat itself is the emblem of meanness and timidity. The Year of the Tiger is one that usually brings trouble and violence, because the tiger is the emblem of ferocity, as well as of strength, courage and magisterial dignity. It is one of the two great opposing forces in Nature, the dragon being the other.

But, whereas the dragon is man's protector and friend, the tiger is his enemy and fights the dragon to bring evil upon humanity. Last year, 1938, was the Year of the Tiger, and its advent was looked upon as presaging disaster to China, with much destruction and bloodshed. The present is the Year of the Hare, which carries no special significance; but next year, being the Year of the Dragon, will be one of good omen.

Possess Attributes of Animals

The present is the 77th of the 60-year cycles, 1939 being its 16th year. The accompanying table, covering a period of 96 years, shows the animal representing each year as far back as 1852 and forward to 1947, as well as giving the symbolical significance of each of the twelve animals. People are supposed to possess the attributes of the animal of the year of their birth, while, according to their year, there are various things they should or should not do.

Taking the present year as the 16th of the 77th cycle, it may be reckoned that the first year of Chinese chronology was 2637 B.C., which was about the middle of the Age of the Five Rulers, extending from 2553 to 2436 before the beginning of the Christian era. This system of chronology is supposed to have been invented by Huang Ti, the Yellow Emperor, but actually the use of the twelve animals by the Chinese does not date back further than the Han period (206 B.C.-220 A.D.), and is believed to have been derived from the Hsiung Nu, or Huns.

THE TWELVE TERRESTRIAL BRANCHES OR ANIMALS OF THE TWELVE-YEAR CYCLE OF THE CHINESE CHRONOLOGICAL SYSTEM

Animal	Significance	75th Cycle	76th Cycle	77th Cycle
Rat	Emblem of Timidity and Meanness	1852	1864	1870
Ox	Emblem of Spring and Agriculture	1853	1865	1877
Tiger	Emblem of Magisterial Dignity and Ferocity, Strength and Courage. Man's Enemy	1854	1866	1878
Hare	Emblem of Long Life	1855	1867	1879
Dragon	Emblem of Imperial Power, Controller of the Weather, and Man's Protector and Friend	1856	1868	1880
Snake	Emblem of Sympathy, Cunning and Evil	1857	1869	1881
Horse	Emblem of Speed and Perseverance	1858	1870	1882
Sheep	Emblem of a Retired Life	1859	1871	1883
Monkey	Emblem of Ugliness, Trickery and Intelligence	1860	1872	1884
Cock	Emblem of Yang, the Male Principle in Nature, of Literary Ability, a Warlike Nature, Courage, Benevolence and a Sense of Time	1861	1873	1885
Dog	Emblem of Fidelity, The Guardian of the Home	1862	1874	1886
Pig	Emblem of Wealth, also of the Base Passion	1863	1875	1887

SPECIAL ARTICLES

TRADE IN TACHIENLU

BY TIBETAN

Tachienlu is a border town and is the centre of a large tribal district. No-one, for some reason or other, will claim this border town as his home and birthplace. It is not simply a question of: Can any good thing come out of Nazareth? It is something much deeper than that: it is a question of mixed blood, as very few Chinese have any ambition whatever to be either connected or related to the frisky, wild and woolly nomad.

The bulk of the inhabitants in the city come from Szechuen and Tibet, while the merchants come from other provinces. The opium dealers are from Yunnan, silversmiths come from Kiangsi, shopkeepers from Szechuen and the musk merchants hail from Shensi. The actual business of the town is largely in the hands of the Lao Shans who come from Sian; and these merchants give Tachienlu whatever wealth and stability it possesses. Without them and the Yunnan opium dealers the city would be almost entirely in the hands of the Szechuen shopkeepers. There is, however, another stabilizing force along the border, namely, the Chinese tea merchants who come from Yachow, Tienchuen and Yunching.

From 50 to 100 thousand catties of Chinese tea come into Tachienlu for the Tibetan market every day; and so keen are the Tibetans to get this Yachow tea that there is frequently a free-for-all fight just inside the east gate when the tea coolies arrive. A Chinese coolie entering Tachienlu will carry on his back several hundred catties, while the Tibetan yak leaving the city for the Land of the Lamas will only carry 108 catties.

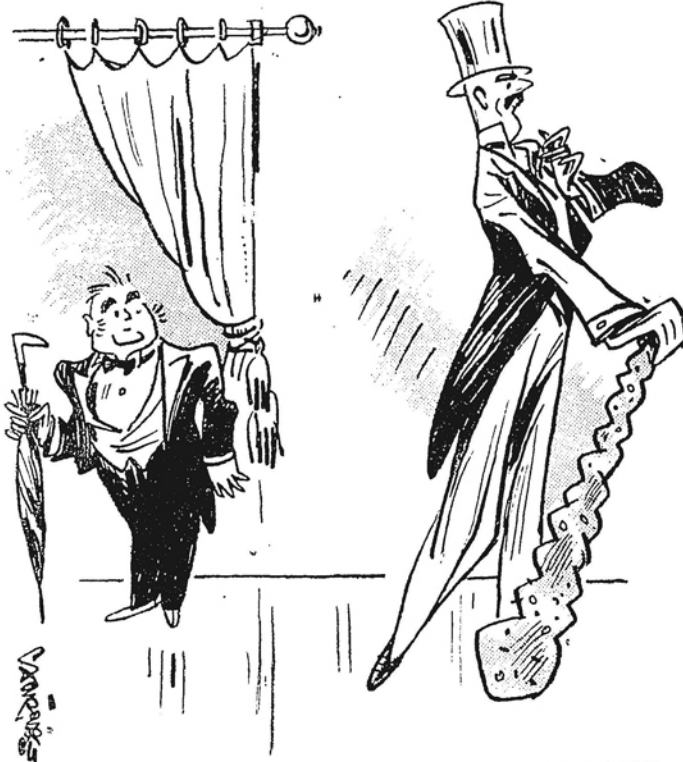
The Lao Shans from Sian who deal in tea, gold and musk, very largely, if not entirely, handle all the trade between the Chinese and the Tibetans. They form the backbone of the trade between the two countries, stand by the old calendar and they give the Chinese New Year its festivity and popularity along the frontier. Requiem Mass for Pope Pius XI was being conducted by Bishop Valentin in the cathedral, to which the foreign community was invited, and it looked like as if nothing would be heard of the service unless the Lao Shans would hold up their gonging and drumming till the Mass was over. Even the death of Pope Pius XI failed to damp the New Year ardour of these Shensi merchants.

In Laoshankai, the principal street of the city, the musk merchants hold sway. Beginning about 7 a.m. a pandemonium of music continues till about 10 p.m. A Lao Shan band is made up of one drum, a number of cymbals, several gongs and numerous strong arms. There is apparently some music in the performance and no one questions the devotion of the band even if one has objections to the villainous competition between the different business houses along this large public street. The Sian musk merchant No. 1 did a "roaring business" with the Tibetans last year, but the Sian musk merchant No. 2 did even better, so each makes a vicious effort to drown the other's music. When Requiem Mass was being conducted for Pope Pius XI it looked very much as if Lao Shan bands Nos. 1 to 10 were making every effort to drown Lao Shan bands Nos. 11 to 20. The fact that one touch of nature makes the whole world kin does not apparently apply to Lao Shan bands. They hammer and beat their instruments as if all the devils in Lamaland were making a serious effort to invade China.

When we add to all this Lao Shan noise the street bands made up of the same instruments and the endless firing of Chinese firecrackers one could well imagine that the end of time had come. Many of the bigger Lao Shans did not open their business houses till the second moon, though no serious objections were made if a wild woolly nomad rolled into the shop with his heavy sheepskin filled with precious musk.

Another factor which gives permanence to the old calendar is the Tibetan element in the city. The Tibetans love noise—Lamaism is now very largely a system of noise—and will run in a mob 500 yards down the main street when they hear the sound of Chinese crackers. It is quite useless making any effort to stop them; a bunch of woolies, most of whom are 5ft. 5in. tall and 4ft. broad, clatter down the street to Lao Shan business house No. 1 and clatter back again to business house No. 30 and keep it up with amazing persistency for hours on end. The foreign New Year may be all right in its place north of the Tweed, but the wild and woolly nomad cries out every time for the good old-fashioned Chinese New Year.

The Tibetans firmly believe that demons, devils, evil spirits and malevolent and destructive forces roaming at large on the Roof of the World can be destroyed by the simple process of noise and more noise. One sweet-toned trumpet is used to attract and a long ten foot trumpet is used to scatter the evil spirits. Drums, gongs and cymbals are used in every lamaseri in Lamaland and the lamas maintain their use is very effective in keeping the number of demons constant in the Land of the Lamas. One wonders, therefore, if the nomad in his new year visit to



A Drastic Change

BY SAPAJOU

Tachienlu attaches any religious significance to all the noise made by the musk merchants from Sian. There is no doubt whatever about his appreciation for Lao Shan bands: their noise is music to his demon-harassed soul, and if a vote is ever taken for a change in the calendar one has an idea just what the woolly nomad will do. If noise is synonymous with the old Chinese calendar then the Chinese tea drinking lama will always have strong sympathy towards it. The Tibetan's soul's salvation and his one hope of an escape from hell and the Wheel of Time and the Wheel of Life is to feed the lamas on rich yak butter and thereby enable them to spend their days and nights creating noise and bringing him peace and joy and rest in this life and in that which is to come.

Commercially and economically, the past Chinese year, was one of much prosperity along the border. Tibetan trade was decidedly on the increase, specially was this so of tea, going in and wool coming out. Thousands of Chinese, including many refugees from Shantung, are digging gold throughout Sikang. For some years not so many Tibetans have been seen on the streets and all seem to be in possession of money and able to buy the things displayed in the Chinese shops. Trade between China and Tibet is in a most satisfactory condition and appears to be on the increase. Leaving Tachienlu almost every day may be seen large musk caravans carrying Tibetan wool to the plains below, the destination being Chungking.

With such a year of prosperity, and with a happy prospect for 1939, one is not surprised at the Lao Shans spending large sums of money on firecrackers. These hardy fellows from the north of China are keen business men and nothing, nationally or internationally, deters them in their business pursuits. They wander all over Sikang and where a wild nomad has musk to sell he will usually find a Lao Shan ready to exchange tea for it. Musk from the border is now reaching Hongkong by air. The C.P.O. carries it by courier to Chengtu, from there by plane to Kunming, to Haiphong by the French railway and from there to Hongkong by steamship.

A COUNTRY DIARY

March 28.—Walking in Hongkong last week I climbed a thickly-wooded hill, steeper than a house-roof and overgrown with a tangle of vine and creeper whose hanging tendrils wound round my body and held me prisoner until I thought of the statue of Laocoon and his sons entwined by snakes; a most uncomfortable thought when it came to my mind that many of these hills are infested by snakes...anything from an eighteen foot python to the poisonous cobra and deadly krait—not to mention the tiny bamboo snake, one of the deadliest of all; but then came the more comforting thought that this is not the time of year when snakes leave their winter homes...so I expressed the pious hope that the snakes really know the rules of the game—and keep them—and continued thrusting up that most bewildering hill. All around me were the queerest bird noises, all delivered with an air of secrecy—as if the creatures concerned were anxious not to give themselves away: Doves cooed and, being clumsy birds in restricted quarters, were occasionally

seen: Bulbuls whispered and chattered among themselves, hardly daring to burst into their bubbling song; the booming call of hidden Crow Pheasants sounded like a lunatic at large with a saxophone; queer liquid calls came from some unknown species of hill Partridge: Tits squeaked, small birds chirped and some avian stranger kept yelling, "Key-for-the-cttoun"—until I went nearly crazy in trying to think what it could be...then from opposite sides of a valley came the glorious voices of two Hwamei (birds of the flowery eye) singing in rivalry. But, apart from the Doves, not a bird was seen. Later, in a clearing, I disturbed a band of Blue Magpies and heard their varied calls and whistles...a glorious sight as they weaved among the pine trees guided by their white-tipped tails: then, as I disturbed them, they went hurtling over the valley with folded wings, controlling flight with their undulating tails alone...like giant tadpoles swimming in a pool of air...perhaps a throwback to the first flight of wingless lizards. I wonder...

March 30.—As I stood beneath my poplar tree this morning watching the Magpies' nest, (I thought) I found the following letter written by my friend Maggie to her cousin in the Hungjiao district: "My Dear Maps, this comes hoping to find you well as it leaves me at present; the manager of this establishment has just come back from Hongkong—as dumb as ever—and I think he is monkeying with the food again; I found some potato in the bread and milk this morning, and if this kind of thing goes on I shall give notice; it's most annoying just at this time of year when I have three eggs to care for...you know how we women need all our strength at a time like this. Father is angry again because he had set his heart on five, and when he grumbled because I had produced only my usual three, I said to him, 'Look here, my name's Maggie not Dionne'...so he flew off in a huff. Men are like that. How are things with you in the country now, dear? We are all very dull in the city and I have only had one good laugh in the past few weeks; it seems that one old gentleman who is a panda-fancier wrote to the paper about them, so another old gentleman wrote and contradicted him and we really didn't know what to make of it until it suddenly turned out that the second old gentleman had got all mixed up and was thinking of civet-cats—I laughed so much I nearly cracked the eggs. Well...I expect to have them hatched out within the next few days, and then our troubles will begin...and that big loaf of mine will have to do a little work for a change. By the way, dear, what is this rumour I hear about gorillas being seen in your part of the country? Is there anything in it? What with pandas, civet-cats and gorillas, I don't know what the world is coming to. Write to me soon, dear. Yours till the last worm turns, Maggie."

March 31.—Was discussing with a friend today about the late arrival of the Swallows this year, and was thus reminded of an interesting link between birds and spiders—or to be more exact the webs the latter spin...called cob-webs because cob or cup was the old name for a spider (referring to the round cobby body). The point of interest was that a friend recently brought me a photograph of a Swallow caught in a spider's web in Tangtiao last year; the bird, probably a young one, is clearly seen hung up with one wing outstretched and my informant assured me that it had to be taken out and cleaned before it could fly off. All of which goes to show how strong cob-web can be, and at the same time supports the veracity of the South American story. In more than one book published by naturalists on South American subjects it has been stated that there is a giant spider whose prey con-

sists partly of small birds, and although many people have regarded these as "traveller's tales," I am beginning to believe they are true. An interesting sidelight on this subject is the old English saying that, laws are like cobwebs, they catch the small flies and let the big ones come through—but if a cob-web can catch a Swallow this saying seems to lose a lot of its force. The next important link between spiders and birds is that many birds use cob-web in building their nests; the Golden Oriole in Shanghai continually uses it to keep his bag-like nest bound together...though how he handles it is a mystery to me; I know that if I try to handle the stuff it sticks to my fingers and stays there—yet a bird can use it so cleverly with the aid of a bill alone. Finally there is the oft-repeated story that birds such as Woodcock and Snipe will use cob-web to bind or heal a broken or damaged leg...I have never seen an authentic case with my own eyes, but in view of the foregoing facts I have no reason to doubt the story.

IN PARENTHESIS

At Home

"CHEER up, Nobby," said the shipwrecked sailor to his mate on the raft, "we can't be far from civilization. Look—there go a couple of bombers."

Agreed

"HAVE your people agreed to our marriage, darlingest?"
"Not yet, precious. Dad hasn't said anything, and Mum's waiting to contradict him."

Odd

"Oh, what a lovely baby!" said the lady, walking in the park, to the nurse, "May I ask whose baby?"
"Yours, madame."

From Tibet

Round the deck, as I chanced to meander, I met a young lady and scanned her.
Her husband came by
And gave me a black eye,
And the people yelled, "Look, the Giant Panda!"

Crude

The family and their guest had just seated themselves at table.
"Susan," said the mother, "why didn't you put a knife and fork at Mr.-'s place?"
"I didn't think he needed any, mother," replied Susan. "Daddy said he eats like a horse."

Dry Cell

"My name is Sparks, sir," said the offender, "and I am an electrician."
"And what is the prisoner charged with?" queried the magistrate.
"Battery," replied the sergeant.
"H'm," murmured the magistrate. "Six months in a dry cell. Next!"

One Week Only

"I CAN'T think who this lady can have been," said the mistress to her new maid. "Are you sure she knows me?"
"Well, madame, she said to me at the door, 'How long have you been here?' And I said, 'Two days.' And she said, 'Well, I give you a week.' I think she knows, you, madame."

Lock-Out

The miner's wife had been waiting for her man all the evening, and at last getting tired of it, she locked all the doors of the house and went to bed. Before long she heard a violent hammering on the front door.
Opening the window she called out: "Where've you been all evening?"
"Ah've bin at 't'club, lass," he said. "Tellin' 't'ads about 't'strike."
"Then tha can go back," came the uncompromising reply, as the window slammed down, "an' tell 'em all about 't'lock-out!"

Old Crock

Two fishermen named Smith, living near each other, had met with misfortune. One lost his wife and the other his boat. A lady visitor called by mistake on the man who had lost his boat, thinking he was the widower.
"Good-morning, Mr. Smith," she said. "I'm sorry to hear of your loss."
"Oh, it ain't much matter, mum," he replied. "She wasn't up to much."
"Dear me!" exclaimed his visitor. "You don't say so?"
"Yes. She was a rickety old crock. When I went out with her I was always in danger of my life. In fact, I offered her to my mate, but he wouldn't have her. I've had my eye on another for some time."

Mr. Chamberlain's.....

Mr. Chamberlain's umbrella.
The age of Mr. Chamberlain's umbrella.
The number of times Mr. Chamberlain's umbrella has been re-covered.
The size of Mr. Chamberlain's umbrella.
The number of people who give socks to Mr. Chamberlain.
The kind of socks Mr. Chamberlain prefers. Where holes first appear in Mr. Chamberlain's socks.
The size of Mr. Chamberlain's feet.
Mr. Chamberlain's favourite breakfast.
Mr. Chamberlain's favourite lunch.
Mr. Chamberlain's favourite dinner.
What time Mr. Chamberlain gets up.
What time Mr. Chamberlain goes to bed.
How Mr. Chamberlain sleeps.
How Mr. Chamberlain works.
Where Mr. Chamberlain walks.
Mrs. Chamberlain's cooking.

THE BOOK PAGE

Indomitable Spirit

COUNT ZEPPELIN The Man and his Work. By Dr. Hugo Eckener. Translated by Leigh Farnell. Macmillan, London.

Count Ferdinand von Zeppelin, creator of the airship, or zeppelin as it later became known in honour of its inventor, is an excellent choice as the subject of a popular biography. There have been many published works dealing with the Count's struggles on behalf of his airship, but less familiar to the world are his life before the period of his discoveries, his youth and his manhood. It has been left to his most illustrious follower, Dr. Hugo Eckener, famous throughout the world as the commander of the Graf Zeppelin, which has made so many epic flights, to reveal the man and not the inventor, and in this book he illustrates in a particularly vivid and entertaining style the whole story of Count Zeppelin's life, succeeding admirably in his attempt to draw a portrait of the man, his noble and lovable personality.

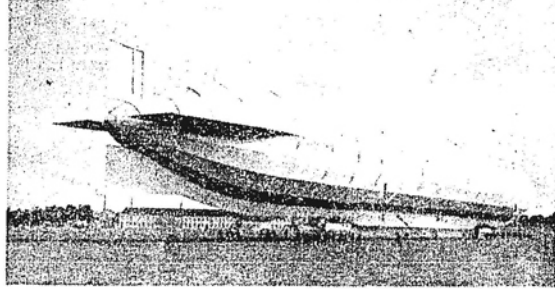
Throughout the biography the author brings out clearly that the inventor of the airship was animated

the remainder of his life to the question of airships, which he felt would revolutionize the field of aeronautics. Here his magnificent spirit came to his aid in the face of bitter disappointments, but he lived to see the fulfilment of his dream and to see his ships play an important part for his beloved Germany during the Great War. Unfortunately, however, he died before he could see his ships grow in size, bridging oceans and serving as peaceful ambassadors in the service of human culture. Dr. Eckener is to be congratulated upon his work, for he has painted a splendid picture of a truly remarkable man whose indomitable spirit and honesty of purpose placed him among the very few really great men in the world.—R.S.

"Most Mobile Army"

NORTH CHINA FRONT. By James Bertram. Illustrated. Macmillan, London. 15/-.

"North China Front" deals with an important and little appreciated feature of the Sino-Japanese war, the strength of popular resistance in the



L Z 25 (1914)

First Ship with Steerage Wings Organically Attached to the Stabilizing Wings

throughout his whole life by one desire — to be of some use in the world. For him there was no thought of material gain and, although the use of the zeppelin for military purposes during the Great War has obscured in the minds of many people the primary object of its invention — its application to civil aviation — and its creator's wish that it should become a benefit and not a menace to mankind, there is little doubt that Count Zeppelin has given to the world an instrument of peace, an instrument which is capable of shortening communications, furthering commerce and diffusing culture.

Early Life

A member of a noble family of Wurtembergers, Count Zeppelin was born on July 8, 1838, at Lake Constance in Switzerland, and throughout his early days, closely bound to this spot by the residence there of his grandparents, he grew up amid natural surroundings which offered a constant stimulus not only to the eye but to the whole body. As the author brings out vividly in the biography, the memory of his childhood and early youth remained with Count Zeppelin until old age and from the heritage of his successes and happiness he used to look back upon those days of carefree gaiety as a period of idyllic joy. After attending the Furtwuehl School at Stuttgart the young count was sent to the Military College at Ludwigsburg, and by the time he had chosen a military career, being posted in 1858 as second-lieutenant with the Eighth Wurtemberg Regiment at Stuttgart. In the spring of 1859 he found himself on active service when the federal states of Southern Germany prepared themselves for surprises during the war between Austria and France. Two years later, however, his restless spirit urged him to see the world and for the next three years he was constantly on the move.

A Brilliant Soldier

From this period onwards the biography becomes deeply interesting, for the Count was a splendid soldier whose career meant more to him than anything else. A description is given of his trips round Europe and of his exciting encounters with Federal troops during the American Civil War, and finally comes his return to Germany and his appointment to the staff of the King of Wurtemberg. There is little doubt that he was a brilliant soldier, as the author reveals in his chapters on the various campaigns in which the young count took part. By January 1872 he was in command of the fifth squadron of the 13th Schleswig-Holstein Uhlanen, stationed at Strasbourg, and in 1874 he received his colonelcy. Later he was appointed to the diplomatic service — to his bitter disappointment — re-entering the army some time later, only to be relieved subsequently of his command.

Peaceful Ambassadors

Retiring with the rank of Lieutenant-General, the Count then devoted

North-west and the development of a new and successful technique to meet the superior equipment of the Japanese. The book describes the author's journey to Yenan, the "Red Capital," and his travels in Shansi with various units of the Eighth Route Army, "the most mobile army in the world." It is simply and vividly written and should appeal to anyone who enjoys a first-rate story of travel and adventure. It is, however, more than that, for it tells how the Eighth Route Army with its instructors and its simple but effective propaganda has set out to teach the people and win their co-operation. They have been splendidly successful. One village was crowded with peasants, men and women carrying baskets of provisions, and the author asked if a fair was on. "No," was the answer, "they have heard that the Eighth Route Army is here and they know that they will be safe." How different that is from the stories one has heard of other Chinese armies whose approach meant the laying waste of the countryside and the hasty disappearance of every man, woman and child.

"The Key to the Struggle?"

"These troops, who have now joined wholeheartedly with the Central Government in the struggle for national independence, get very little backing from the Soviet or anywhere else. Their arms and equipment are mostly captured from the Japanese themselves or taken from 'shanghai' or Chinese deserters. But their leaders, Mao Tse-tung, Hu Lunz, Chu Teh (their careers rival that of any legendary Chinese hero), have had vast experience in leadership, and the confidence of the local people means that they have no anxieties about supplies or communications. Most important of all, by their successes, especially at Hsinking, they have proved to themselves that the Japanese are not invincible. 'There is no need to be afraid of the Japs if only you know how to fight them.' The successive loss of Shanghai, Nanking, Tsingtao, Hankow, and the terrorist tactics of the Japanese, have only strengthened their determination.

The mobile units in Shansi have a saying 'The Sun has set in the Western Mountains and will not rise again,' the Western Mountains, of course, being Shansi and the Sun the Rising Sun of Japan. Perhaps, as the author thinks, the North-west really is the key to the struggle now going on which seems to have for its object the complete domination, if not annexation, of China.—W.M.M.

Penguin Books

"But Soft: We Are Observed!" Hilaire Belloc's burlesque on the crime story, is included in the new Penguin Books, all at sixpence. The thirty-seven illustrations were made by G. K. Chesterton's charming

pencil. The straight detective stories are "Death of My Aunt" by C. H. B. Kitchen and "Murder in the Maze" by J. J. Conington. Short stories are represented by "Selected Short Stories of 'Saki'", novels by Norman Collins' "Penang Appointment" and Antoine de Saint-Exupéry's "Night Flight," which gained for the author the Prix Femina de Paris while he was still an air line pilot—one of a team of pioneers who built the Air France line from Europe to South America. The two books of memoirs are "Confessions of a Young Man" by George Moore and "An Innkeeper's Diary" in which John Pothergill, who is stated to have brought the art of modern innkeeping to perfection, tells much of the story of his own life. This is his book's fourth edition. In "The Egypt's Gold" Mr. David Scott, who through five successive seasons was the only journalist who saw the salvage men at work from beginning to end, tells the story of the last and successful attempt to raise £1,000,000 from the wreck of the P. & O. liner Egypt which sank in 400 feet of water in the Bay of Biscay.

A China Review

THE CHINESE RECORDER April. 169 Yuen Ming Yuen Road, Shanghai. \$0.60 Per annum \$5.

The Madras Conference is again dealt with in the April number of "The Chinese Recorder," by the reproduction of the address given at the February meeting of the Shanghai Missionary Association by Mr. S. C. Leung; "The World's Student Christian Federation Leaders' Conference" with the subtitle "From Madras to Alwaye," by Mr. C. S. Tai and Mr. Lin Yao Kuang; "What the Madras Conference Means to Me" by Mr. C. S. Tai; "Christian Literature in China," being a report specially prepared for the Madras Conference; and "The Inner Life of the Church," a paper prepared for the Conference by the China Delegation of Section VII. Informal snapshots of those attending the Conference add interest. Dr. Frank W. Price contributes what is described as the summary of a survey, "The Rural Church and the Rural Community in China," while news from the interior, book reviews, and two in Memoriam notices of Dr. Peter C. Kiang and Dr. Robert A. Peterson conclude the number.

New Fiction

Mr. Robert Eton specializes in small towns and "The Legacy" (Nicholson & Watson, London, 7/6) tells of the terrible divisions caused in Woolford by £20,000 left for its betterment. The book opens in a most intriguing manner with the meeting of a middle-aged depressed spinster (companion to a disagreeable wealthy one, later the (ex)atrix) with a leading-seaman in Torquay. Unfortunately the lady is lost sight of after this meeting for some time while the author introduces the other inhabitants of Woolford, and when once more she comes into the picture she is drowning her conscience in stout to the pleasures of which she was introduced by the leading-seaman in the course of a very correct evening ending at the "Admiral Benbow." Mr. Eton's interest in committee meetings led to discuss the spending of the legacy rather militates against the brightness of the book — for even Lady Seesley's selfish reasons for preferring a public recreation ground do not quite balance the seriousness of the rector and a public-spirited doctor. But on the whole the story is amusing and the end surprising.—R.P.

DO YOU KNOW?

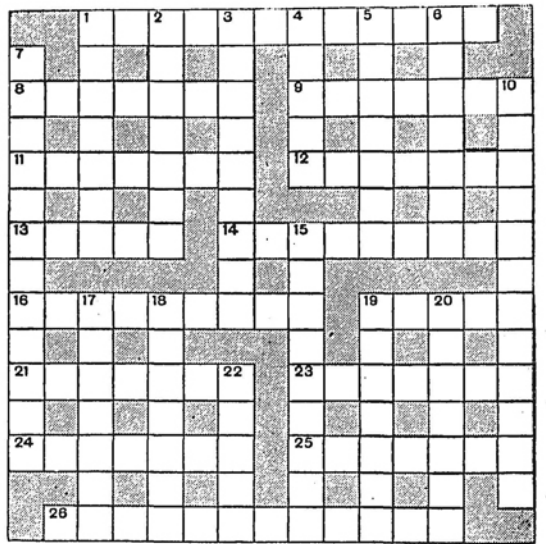
By INQUIRITOR

- 1 Who is the successor to Major-Gen. Telfer-Smollett, recently Commander of the British Forces in Shanghai, and when will he arrive in China?
- 2 When is the "Beginning of Summer" in China?
- 3 When sound pictures first came to China?
- 4 On what date was the last extension made to the Settlement of Shanghai?
- 5 Who is:
(a) the Governor of Hongkong
(b) the Governor of the Straits Settlements
(c) the British Ambassador to Japan
(d) the French Ambassador to China
(e) the Italian Ambassador to China
- 6 What is:
(a) béche de mer
(b) ghee
(c) musk
(d) agar-agar

Answers on page 44

LONDON CROSS-WORD PUZZLES

(By Arrangement with the "Daily Telegraph.")

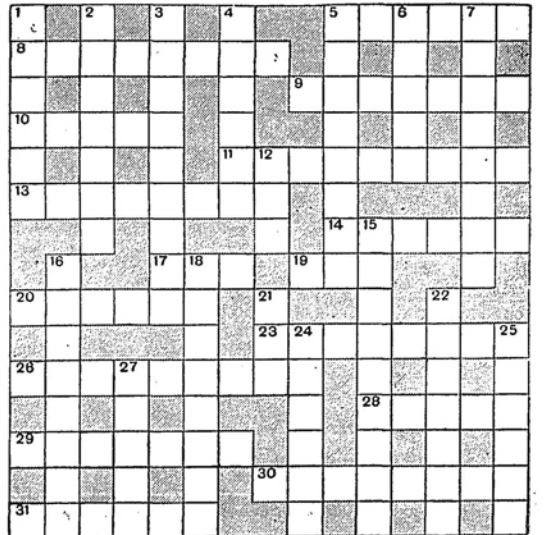


ACROSS

- 1 This admits of no argument (three words)
- 8 No, the farmer would not provide this at a tea party to make things go smoothly
- 9 Kind of acid
- 11 Without reason at heart, and restless
- 13 When he goes to the seaside does he bring others down with him?
- 14 All strung up
- 15 Suitable food for a lengthy meal?
- 16 "Mired robe" (anag.)
- 19 A bit of heather, possibly
- 21 On the whole he uses his impartial judgment, but finally uses his teeth
- 23 There seems to be justification for foolish talk of hostilities
- 24 A glancer in disguise
- 25 The idea is to put part of a pip in a vegetable
- 26 This is hardly likely to be the scene of a head-on collision (three words)

DOWN

- 1 His morning round may include many squares
- 2 Nonsense, to add in
- 3 Taken for a run, perhaps
- 4 Path, or heart of 21 across
- 5 Supply as evidence that a fish has swallowed a vessel
- 6 Wherein Nelson died
- 7 Keeping in with a fast set? (three words)
- 10 Scotsmen like to give it the push in winter (two words)
- 15 It's of no use an archer planting this footstall
- 17 Old city started by an infant
- 18 Any child may do this to its clothes
- 19 Attention that finally might get a hold on one
- 20 Shams will not do for him
- 22 It's a wonder Moses didn't grow up with this sort of voice



ACROSS

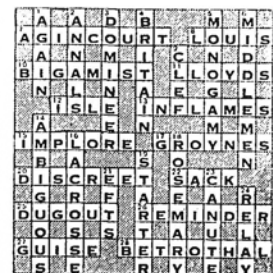
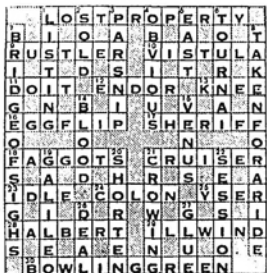
- 5 Some women get a fur coat for this
- 8 The end of this golfing stroke is fishy
- 9 No high flier, but a grand swimmer 10 Architectural style in Scotland or Iceland
- 11 Australia having the Ashes should England don this?
- 13 One of the upright features of football
- 14 A drinking vessel
- 17 Keep on talking like a horse
- 19 Where some flies end up even in winter time
- 20 He puts up some game, this fellow, and looks like a winner
- 23 No longer firm
- 26 A flaw in service
- 28 This sort of river has its ups and downs
- 29 Suggests duplicate poetry but is different
- 30 Still claim to be active
- 31 Bad feeling

DOWN

- 1 Its bark is usually not deep
- 2 Skill in length is enduring
- 3 In a scrap with a dog it might win on points
- 4 To gain it is to get in
- 5 Flotsam, often
- 6 To upset the beer is far from humble
- 7 Fishermen don't like going out on a day so numbered, their net gets tangled up
- 12 Part of 20 across
- 15 This might make the second winner
- 16 A W. Countryman
- 18 One of the U.S.A.
- 21 In Tring it's fishing
- 22 Score
- 24 A social function almost as extinct as the moa, that made it
- 25 Ought this player to practise to swing music?
- 27 It gives 5 across, the Marines will tell you

The solutions will be published next week

SOLUTION OF LAST WEEK'S PUZZLES



Social Events in Shanghai



Fellow countrymen of Mr. A. Politis, newly-appointed Greek Minister to Japan and China, attended a dinner in his honour at the French Club on Saturday, March 25. (Above) Mr. G. Rapanakis, Mrs. E. Yannoulatos, Mr. A. Politis and Mrs. Lazaridis. (Below) Mr. and Mrs. Karagrigoris, Miss Karagrigoris and Mr. Dimitriades.—N.C.D.N.



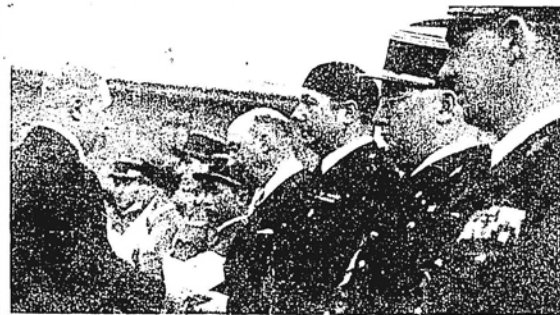
Photograph taken after the wedding of Mr. John Malcolm Ovens and Miss Joan Colville Chisholm at Holy Trinity Cathedral on March 25. (L. to r.) Miss Kathleen Newcomb, Mr. Stanley Duff, Mr. and Mrs. Ovens, Mrs. Stanley Duff and Mr. Ian Heath.—N.C.D.N.



A charming study of Mrs. H. R. Semmelink and her three-month-old son, Herman Jan.—Skeirsky.



At the dinner in honour of Mr. A. Politis: Mr. N. Zannos, Mrs. G. Paradissi, Mr. D. Chelmis and Mrs. N. Zannos.—N.C.D.N.



M. Baudez, French Consul-General, presents M. Brediam with the Ministry of Foreign Affairs award. Also receiving this award were M. Grosbois, Commander Fabre and Mr. Eric Davies, standing next in line. These awards were accompanied by citations signed by M. Andre Lebrun, President of the French Republic, and M. Georges Bonnet, French Foreign Minister, and were given in recognition of excellent services rendered during the Shanghai hostilities.—N.C.D.N.



Mr. H. E. Morriss was host at a dinner party on March 24 at the Cathay Tower. Among the guests present were (l. to r.) Sir Archibald Clark Kerr, the British Ambassador, Marchesa Talliani, Mr. Morriss, Mrs. Peter Li and Marquis Talliani, the Italian Ambassador.—Lefevre.



Major K. M. Bourne and Officers of the Shanghai Municipal Police were hosts at a cocktail party held at the Police Club last week. Among those present were (above, left) Col. Grenier, Col. Perrelier and Mr. G. W. Gilbert. (Above, right) Mr. G. G. Phillips and Mr. C. S. Franklin.



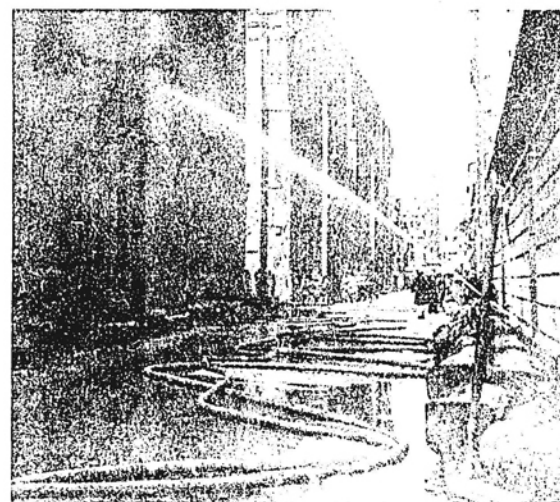
Mr. W. A. Spencer-Brock and Mrs. Emma Hillier were married at the British Consulate-General, Shanghai, on March 25.—N.C.D.N.



Mr. P. R. M. Wallis, Far Eastern manager of the Confederation Life Association of Canada, left on April 1 for Canada on home leave, accompanied by Mrs. Wallis and their three sons.—Bann's.



Mr. C. W. Pettit, General Secretary of the Foreign Y.M.C.A. for some years, will sail for the United States next week.—Bann's.



A Disastrous Fire

The fire which broke out on the night of March 24 in the N.Y.K. godown building on Whangpoo Road was one of the most spectacular seen in Shanghai for a long time. The flames, which were first noticed at 11.15 p.m., burned fiercely for several hours, completely gutting the building and damaging the adjoining one. Fitful tongues of flames and dense clouds of smoke rose from the mass of debris throughout the following day, despite the unceasing efforts of the Fire Brigade, who continued to pour streams of water into the gutted building (seen above).

Paying Up

VIGNETTES OF LIFE

By J. NORMAN LYNDE



PAYING UP PROMPTLY, TO GET A REPUTATION, SO THAT HE CAN MAKE A BIGGER AND BETTER, TOUCH LATER ... WELL HERE'S HOPING THE CHECK IS GOOD.



NO USE BETTING WITH A WIFE --- SHE NEVER PAYS UP. IF YOU BET IT WAS GOING TO RAIN, SHE'LL TELL YOU "THAT ISN'T RAIN, IT'S ONLY A DRIZZLE - OR A FOG."



"A NEW DRESS? WHY DARN IT! YOU HAVE A DRESS!"



"HERE'S THE EGG I BORROWED AND -ER- COULD YOU LEND ME YOUR VACUUM CLEANER? ... MINE'S BUST."



"...HERE'S YOUR CHECK AND THAT'S THE LAST TIME I'LL ASK YOU TO DO ME A FAVOR!"



IN SOME CASES IT TAKES A COURT ORDER, OR A THREAT OF JAIL TO MAKE THEM LOOSEN UP.



AFTER PAYING THE GROCER, BUTCHER, AND FOR GAS, ELECTRICITY, WATER, CLOTHES AND SHOES, THE DOCTOR WILL GET HIS -MAYBE- IF THE MONEY ISN'T NEEDED FOR AMUSEMENTS

THE WOMAN'S PAGE

A London Letter

By OLIVE DUN

London, Mar. 4.

Not long ago I was dropping a metaphorical tear over the deserted state of Windsor Castle. Now for a few hours it is to revive its old glory, for the King and Queen will give a small luncheon party there as part of the entertainment of the French and Mme Lebrun.

There will be French pictures on the walls and French specialties in the menu, the visit is meant to emphasize that the Castle is the Royal Family's ancestral home, however much they had to flee to other resorts. The party will lunch in the State dining-room in the Brunswick Tower, at the long, wide mahogany table made for George VI, from which opens up a splendid vista of red, green and white drawing-rooms, lighted by beautiful old 18th century glass chandeliers. And after lunch there will be a tour of the Castle.

At this time of year the whole building is being spring cleaned. But does it really need it? At all times it seems the acme of clean-



New Arrivals in French Community

The M. M. Iuer Chenoneaux brought to Shanghai on March 29 Mme A Grenier and her children, Madeleine and Louis. Mme Grenier is the wife of Lt-Colonel Grenier, who has succeeded Colonel Perretier as Commanding Officer of the French Forces in Shanghai—Sikorsky.

liness. Once I was permitted to do a small bit of research work in the library, which is on an upper floor with lovely views over the Buckingham meadows. It is the most desirable room I ever saw, every book looks as if it had just come from the binders (such bindings too) even including the old books of prayer, of which there is a complete set belonging to all the monarchs back to the reign of Edward I.

"It is better to be a doorkeeper in the house of the Lord": to finish the quotation might seem impolite. But it would be rather nice to be a servant in Windsor Castle. Only for that one would have to have started several generations back. Like the French noblesse, Royal domestics, too, are born.

Talking of Marriage—

What, one wonders, were the emotions of Princess Fawzia, the 17 years old daughter of the King of Egypt, when this week for the first time she set eyes on the young Crown Prince of Iran, whom she will have married long before this reaches you? He, too, does not seem to have had much say in the matter, for it is said that his father was so enchanted with the Princess's portrait, which certainly suggests a very lovely girl, that he immediately decided that she must marry his son.

I suppose Royalty grows up with the knowledge that it will probably have to marry some one else's choice (see "The King's Mirror" for the most telling account of how it works) and in Moslem countries such marriages are the rule. Indeed the bride does not even have the satisfaction of making a big show at the marriage ceremony, from which she is entirely excluded. But Princess Fawzia and her sisters are quite modern young ladies with a strong inclination for French frocks, English athletics and feminist freedom. So what does she think of being headed over like a pound of tea? Well, she will probably be a Queen some day and that, as Elsa in "The King's Mirror" found, is always a consolation.

Apocryphal marriage, the death of a famous centenarian this week. Mrs. Stubbin of Richmond aged 106, releases her stepdaughter, Miss Sherrin, from a promise made to her dying father 25 years ago that she would devote herself to her younger sisters and family. Miss Sherrin was then in the early twenties. She immediately broke off her engagement and set to mother her sisters. As

they ceased to need her protecting wing (one of them through marriage) she took charge of Mrs. Stubbin, whose great age is generally attributed to her care.

But the point of this anecdote is whether dying parents have any right to exact such promises. To my mind it is utterly wrong that a young girl should be asked to sacrifice all hopes of a husband and home of her own to take charge of a widowed mother or father. Yet most of us have known cases of its being done. That the sacrifice may be cheerfully made only seems to aggravate the injustice of its being asked.

Still in connection with marriage, an extraordinary story comes from Cerne Abbas in Dorsetshire. On a hillside close by is one of those enormous figures cut in the turf by our prehistoric ancestors (like the Wild Man of Wilmington not far from Eastbourne), and the vicar of the parish has discovered that the young girls and young wives of the neighbourhood pray to it, respectively, for sweethearts or boy babies. Of

set of "The Rake's Progress" by Hogarth, who must surely have as bitter a mind as any great artist ever possessed.

A portrait of Soame by Sir Thomas Lawrence indicates a kindly man of whimsical humour. But of the picture of his wife who died in 1815 one rather feels that, like Emmeline Grangerford, she is "having a better time in the graveyard." After her death her husband went on adding to his collections till there was hardly room to turn. Luckily servants were cheap and plentiful then. But how the Curator keeps the place clean now is a mystery.

An English Failing

And in that connection the London Transport Board have had to make a humiliating confession. They simply cannot get bus and tram passengers to throw their tickets anywhere except on the floor. Litter boxes are provided on the platforms but not one passenger in a hundred ever uses them. This does not affect the truth of what was said above about Londoners' respect for their parks. In these the litter baskets are on the whole very well used. But it must be confessed that English people generally are dreadfully untidy, and seaside beaches and promenades after a Bank Holiday are almost invisible under picnic papers, newspapers, cigarette cartons and trash of every kind.

In Germany and, I believe, New South Wales people who drop rubbish can be fined on the spot, and it seems to be the only cure. But untidiness lies at the root of many of our short-comings, slovenly cookery and service of meals for instance. There was a good deal of talk some time ago about teaching tidiness in the schools, but if attempted it certainly came to nothing. The curious thing is that the artisan who turns out precision workmanship of unequalled finish, and the mill girl who produces incomparable textiles, will cheerfully to a home of which the haphazard and ill-cleaned disorder might make angels weep.

Spell As You Go

In the "News-Chronicle" I read that SEVENTEEN THOUSAND, to hundred pounds will go to the Simplified Spelling Society of Great Russell Street, W., by a despatch in the Chancery Division yesterday.

Which being translated means that the society in question is justly entitled to receive the £18,200 left to it by the late Sir George Burton Hunter of Newcastle, the Judge refusing to believe that there could be more than one such society (the point on which the will was disputed) about the world.

Nu or Simplified Spelling was the peculiar hobby of Sir George Burton Hunter. He ran the Society at his own expense and it was enough to say that you wished to belong to it, no subscription being asked. His legacy is to be spent in propaganda, but Sir George's successors admit that the cause advances slowly. The main difficulty seems to be that the "nu spelling" is so difficult to grasp. And here's the rub. Some people can spell, others simply can't. In either case reform seems unnecessary.

The Cairn puppy mentioned in a recent letter grows apace. I wish I could add in grace. I took him for a walk this afternoon through the woods, perhaps three miles as I measured it, probably 20 as he covered it. Since our return instead of settling down to a restful nap he has, while I have been writing, slain as much of the rug as he had not killed before, upset the waste paper basket and strewn the contents, torn into small pieces, over the room, and bitten to ruin an unopened magazine. He has an uncouth sense of humour which expresses itself in filling the cat's basket with bits of coal. Twenty times a day we ask ourselves why we ever admitted him to the house, and the older Cairn murmurs sullenly, "I warned you." The worst of it is that he is so extraordinarily attractive.

Five Finger Tips

Varnish will stay put longer if the nails are scrubbed thoroughly between the operations of removing old varnish and applying new.

To give a professional finish to the nail when varnishing, wrap a tiny twist of cotton wool round the flat end of an orange stick, dip in varnish remover and run stick round edges of the nail and under tips.

To avoid smearing your handiwork, remove varnish smudges on the skin around the nails when varnish on nails is perfectly dry.

If the nails are broken off short or are in bad condition generally, use a conservatively-coloured varnish and cover the whole nail. This will make the nails appear longer and will hide defects.

A spot of olive oil or perfumed brilliantine rubbed on the nails after varnishing is good for nail and cuticle, and enhances the lustre of the lacquer.

A Mayfair Notebook

By PHILINE

London, Mar. 3.

Queen Elizabeth is taking a personal pleasure in the welcome which London will give to the French President and his wife at the end of the month, for Mme Lebrun will be the first woman to be entertained by Their Majesties on a State visit. She and the Queen should find several interests in common. Mme Lebrun is very fond of England; she possesses simple tastes and loves music as does Queen Elizabeth.

The Princesses, too, are making preparations for the forth-coming visit and are learning speeches to deliver in French to Mme Lebrun. They will thank her and the people of France for the dolls which were given them after their parents' visit to Paris last year.

Princess Elizabeth has made up most of her speech herself. She is quite able to carry on a sustained conversation in French. For the past two years she and her sister have had a French tutor and each day they set aside some time when not a word of English must be spoken. Languages, of course, are an important item in Princess Elizabeth's school time-table. She has been

displayed by the seven Americans who have arrived in this country to compete in the English squash championships, and to defend the Wolfe-Noel Cup. Whereas, in 1936, the American team came over with very short shorts, in 1939 some of them are not wearing shorts at all, but skirts. And those who still favour shorts have had them cut definitely longer.

One member of the team wears a divided skirt of shark skin and Miss Eleanor Sears, the leader, has a white drill circular skirt with buttons down either side. She wears a white crocheted cap when she is on the court. Anne Page of Philadelphia, America's squash champion, has white velvet corduroy shorts and a fine wool shirt with long sleeves. This is made with a yoke at the back and a box pleat to allow her freedom with her arms. The entire team have waisted cream cashmere cardigans, with red, white and blue borders and the stars and stripes on the left breast pocket.

For Sportswomen

Sportswear of all kinds took its usual prominent place in the fashion parades and shows which have been held recently in both Paris and London. A novelty which is sure to win general praise is the new coat with attached hood. This is ideal for motoring, cruising and general country wear and is being made in fitted and swagger shapes.

One model, in hyacinth blue angora cloth, has a squarish stitched hood and a collar which buttons closely round the neck and can be worn open. The coat has a built-in belt and is made in several pastel colours. In another sports model, a triangular scarf hood—it is called the Robin Hood style—is attached to a slack coat of soft oatmeal-coloured tweed. It can be tied around the head in the manner of a kerchief.

Contrast in Colour and Material

The use of two or more colours and often two different kinds of material in one frock offers simple ways of reviving tired clothes. Many of the new day frocks have bodices which are colour contrasts to sleeves or skirt. To be smart the different coloured bodice must end just below the bust. New nightgowns are in three colours. One design has a high-waisted skirt of dark blue georgette and tiny draped bodice half pink, half blue. Some pyjama tops also feature the colour contrast theme. They may have a contrasting bolero jacket and fringed sash.

Linen and velvet hang together in wide skirted evening dresses. White cotton is trimmed with black velvet, and glazed linens introduce a second colour in godets inset. Linen, this simplest of materials, made up what was probably the most expensive dress among thousands of costly models in the recent Paris collections. It was an Aliz creation. The two feet deep flounce, which broke the skin-fitting line of the dress at the knees, was composed of over 500 tiny triangles of linen. Each of these triangles had to be washed and stiffly starched before being delicately embroidered together.

Observations on April

FROM "RIDER'S BRITISH MERLIN," 1730

"This month sow Hemp and Flax; pole Hops; set and sow all kinds of Garden-herbs. Restore the liberty of the laborious Bee by opening her Hive. Bark Trees for Tanners, and let good Housewives mind their Gardens, and begin, to think of their Dairies.

In Gard'ning ne'er this Rule forget, For to Sow dry, and to Set wet.

The Use of Physick now becomes seasonable; as also Purging and Blood-letting. It is good to abstain from Wine, for many Diseases will be taken thereby, to the Ruin of many.

This Month the Pores of the Body are open, and apt to receive Physick, therefore this is the best Time to remove and prevent Causes of Sickness. Or for speedy remedy in Extremity, pray to God for a Blessing.

After greasing the tins when making light cakes or sponges sprinkle lightly with cornflour. The cakes will then leave the tin evenly, and will be a nice colour.

When making a plum pudding, and you have little time, roll the mixture in a cloth as for a roly-poly. Tie both ends and it will cook in half the time.



A Leave-Taker

Baroness Johan Beck-Friis, wife of the Swedish Minister to China, who left with her husband on March 29 by the Potsdam en route for a holiday in Sweden.—Bain's.

learning German and now a new governess has been engaged to give her more advanced lessons in the German language.

In Praise of France...

While a bustle of preparations for our French visitors is going on in Buckingham Palace and at the French Embassy, London is enjoying a French season which is already in full swing. Lunch, tea and dinner table conversations in smart West-End restaurants turn upon the French theatre, French art and French fashions.

The coming to town of the Comédie-Française, the State company established one and a half centuries ago by Louis XVI, who incorporated in it Molière's company, has filled us all with admiration of French acting and stage-craft.

Few may remember the last official visit of the Comédie company sixty years ago, but it was on that occasion that Sarah Bernhardt made her London début. Whether they recall the historic occasion or not, Londoners and their French guests find the Great Sarah a popular topic of conversation.

Fashion Talk at Tea-time

In the art world, French art is to be prominently displayed by most London galleries during the next month and this fact carries the day's gossip to French painters. Much of their work we shall hope to see in the near future.

At tea-time, in particular, feminine fashions are talked over, when someone will probably quote some such opinion as came the other day from Mme Bourdet, who is one of France's best-dressed women. "No other women look so well in the country, in sports clothing" is Mme Bourdet's opinion of the English. But she doesn't think English women dress becomingly in the evening.

In the theatre and in the restaurant, it seems, they look "over-dressed." They wear "too many bright clothes, they try to make too much effect—and make none." To quote again the same authority: "Parisiennes in the evening wear black or dark colours. Their frocks are simpler." There is nothing new in all this. Indeed, are not such opinions a little out of date?

Where Shorts are Longer

English sportswomen are finding much to interest them in the fashions

